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Electrolux tackles white box syndrome
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Time Warner may link with Toshiba and Itoh

By Alan Friedman in New York and Stefan Wagstyl in Tokyo

TIME WARNER, the debt-laden US media and entertainment company, is at an advanced stage of negotiations on a series of joint ventures that would include raising about $1bn by the sale of stock in a new subsidiary to Toshiba, the Japanese electronics manufacturer, and C. Itoh, the trading group.

The US company – which reduced its debt burden from $11.5bn to $8.9bn earlier this year through a rights offering – declined to comment yesterday, but Toshiba and Itoh both confirmed that talks were in the final stages. Mr Steven Ross, chairman of Time Warner, is expected to be in Tokyo this week for meetings on the deal, although company insiders insisted his main purpose was to take his family to a Paul Simon concert.

An announcement of the joint venture deal could come within three weeks. Wall Street reacted to the news by marking up the price of Time Warner stock by $3⅛ to $86.

In Tokyo, Toshiba and C. Itoh both declined to comment on Japanese reports that they would pay $500m each for a joint 12 per cent stake in Time Warner.

In New York, an executive who has been involved in the talks said a Japanese investment in a new Time Warner subsidiary containing entertainment assets was more likely. He said the transaction under discussion "is far more complicated than just a share purchase".

If completed, the deal would be the third largest Japanese investment in a Hollywood film company – after Sony's $3.4bn acquisition of Columbia Pictures Entertainment and Matsushita Electric Industrial's $6.1bn purchase of MCA.

Time Warner has been burdened by debt ever since it was formed by a merger between Time and Warner Communications in 1989. It has been searching for cash-rich partners for more than a year. The Japanese proceeds are likely to be used to help reduce the US company's debt.

Mr Ross first said in early 1990 that he would like to achieve "a tricontinental venture where we take assets in the entertainment business and merge them".

Mr Ed Aboodi, the special adviser to Mr Ross who has played a leading role in the Toshiba/Itoh talks, is believed to have been searching, so far unsuccessfully, for a European media group that could eventually join in Time Warner's planned Japanese ventures.

One of Toshiba and C. Itoh's aims is almost certainly to gain access to Time Warner's library of Warner Brothers films and its film production skills.

The three companies are thought to be discussing the formation of a joint company in Japan, to be known as Time Warner Japan. This company would next year launch a cable television business in Japan as a first step in proposed extensive commercial co-operation.

The types of joint ventures being discussed could, according to a well-placed New York executive, include pay-TV and motion picture deals, and not just in the Japanese market.

Brussels blocks European bid for de Havilland

By David Gardner in Brussels and Bernard Simon in Toronto

THE EUROPEAN Commission yesterday blocked a Franco-Italian takeover of de Havilland, the Canadian aircraft maker, in a decision which could have far-reaching implications for plans to form alliances within the aerospace industry.

It is the first time Brussels has used its year-old anti-trust powers to turn down a merger and, according to a senior Brussels official yesterday, the action is likely to strengthen the Commission's credibility as an impartial policeman of competition.

Implementation of the powers could be of concern to aircraft manufacturers which see cross-border restructuring as a possible response to a decline in military spending and a sharp fall in civil aerospace orders.

The decision to block the acquisition follows a surprise shift in opinion inside the Commission, which until yesterday looked set to clear it.

The EC executive said the proposed takeover of de Havilland by Aerospatiale of France and Alenia of Italy would have created "a powerful and unassailable dominant position in the world market for turboprop [commuter] aircraft".

The Brussels move places a question mark over the future of de Havilland, an ailing subsidiary of Boeing, the US aircraft maker. It is widely recognised that the future of the Toronto-based company depends on forging a strategic alliance with another manufacturer.

The European Commission yesterday opened an inquiry into the Italian government's plans to contribute some $3bn for Fiat's L12,000bn ($9.7bn) new investment in the depressed southern Mezzogiorno region. Page 2

Boeing expressed disappointment at the decision and said it would consider its options. Canada, too, expressed its "great displeasure". Mr Michael Wilson, Canada's industry minister, said it was too early to say whether de Havilland would be forced to close.

Sir Leon Brittan, the competition commissioner, said the merger would have given de Havilland and ATR – the Franco-Italian joint-venture – 50 per cent of the world market and 67 per cent of the EC market for commuter aircraft of 20 to 70 seats. In the two fastest growing segments of the market, the shares would have been: 63 per cent and 74 per cent respectively in the 50-seater range, and 76 per cent and 75 per cent for aircraft with around 70 seats.

This would have given the group a towering advantage over its mainly European competitors, affecting even the largest producers such as British Aerospace and Fokker of the Netherlands, with no competition from the US or Japan to offset it. Sir Leon argued, moreover, that ATR had already established itself in North America, where its only indigenous competitor is de Havilland.

"The deal would not so much have led to economies of scale or investment in research and development as acquisition of market share", Sir Leon said yesterday. He added that Aerospatiale had admitted rejection of the deal "would not change or damage the fortunes of the companies concerned."

Several of Sir Leon's colleagues wanted the Commission to consider the acquisition in the light of the market for aircraft of up to 110 seats, where they said the new group would only have around a 20 per cent share.

Since the Commission got powers to vet large takeovers last September, it has approved all 52 mergers it has considered, attaching conditions to five. "We have interpreted the regulations to permit a very substantial restructuring of European industry", Sir Leon said yesterday, "but that was not possible in this case."

De Havilland produces only one type of aircraft, the Dash-8, and has been in the red since 1982. Dwindling orders forced it to cut production last month from five to 4.5 aircraft a month. After recent cuts the workforce totals 4,300.

The Canadian and Ontario governments are likely to work closely with Boeing to try to find another buyer.

Croatian refugees rest yesterday after fleeing their village as it was shelled by Serbian forces. Report, Page 2

Dutch EC plan goes into the bin

By David Buchan in Brussels and Ronald van de Krol in Amsterdam

THE Dutch presidency of the European Community yesterday cast aside its much-criticised political union plans and began talks with other member states on an earlier Luxembourg draft treaty.

After Monday's revolt by 10 EC states against the Dutch plan for a federal-type union, the presidency suggested at a meeting of the Twelve's negotiators that they should carry on discussing the proposals for a common foreign and security policy where they had left it on July 18, when only the Luxembourg draft was on the table.

"The negotiators continued their talks as though nothing had happened in recent weeks," a Dutch official said.

The status of the 86-page Dutch draft on political union is now reduced to "a reference document", on a par with papers submitted by other countries. The main framework for the negotiations is once more the plan drafted by Luxembourg, previous holders of the EC presidency, which would keep foreign, criminal justice and immigration policy-making outside the standard Treaty of Rome rules.

However, the Dutch are doubling the tempo of negotiations by extending meetings in Brussels of the Twelve's special representatives from one to two days a week. Most of this weekend's informal meeting of EC foreign ministers at a castle near Utrecht will be devoted to such vexed issues as whether majority voting should be

Continued on Page 18

Editorial Comment, Page 16

Fight starts over UK ban on Halcion sleeping pill

By Clive Cookson and Daniel Green

AN unprecedented battle between the UK Department of Health and a US pharmaceutical company started yesterday when the world's most widely prescribed sleeping pill, Halcion, was withdrawn from sale in Britain.

Upjohn, Halcion's manufacturer, refused to withdraw the drug voluntarily, as companies normally do when faced with the suspension of their licence. The company, based in Michigan, plans to appeal against the decision because "no scientific or medical evidence warrants withdrawal".

The department banned Halcion and its generic (unbranded) equivalent, triazolam, on the advice of its Committee on the Safety of Medicine. The CSM said that the chemical "is associated with a much higher frequency of side effects, particularly memory loss and depression" than other drugs in its category.

The UK ban results partly from the CSM re-examining the original clinical data submitted in the 1970s and partly from new evidence of adverse reactions. Doctors have notified the CSM of 390 adverse reactions "including 161 psychiatric reactions.

Doctors wrote 1.5m prescriptions for Halcion and triazolam in the UK last year – the number of patients involved is believed to be about 700,000. The withdrawal is the largest since Opren was taken off the market in 1982.

Halcion is Upjohn's second-largest selling product, with estimated sales of $240m (£137.90m) a year worldwide. Although Halcion's UK market is worth only $5m to $10m, the company is concerned that the Department's of Health's action could lead regulatory authorities in other countries to ban the drug.

Upjohn failed to win a High Court injunction on Tuesday night to prevent the department suspending its licence. The company has a month in which to appeal to the CSM against a permanent revocation of Halcion's licence.

If the CSM again rules against it, Upjohn can make a final appeal to the government's Medicines Commission. This appeals procedure has not been used before.

Mr Roger Odds of the Royal Pharmaceutical Society, the pharmacists' professional body, said it was not yet clear whether chemists shops should return their stocks of Halcion to the manufacturer or hold on to them, pending an appeal.

Consumer activists in the US have been campaigning for the Food and Drug Administration to ban Halcion. Their campaign gathered momentum in August when Upjohn admitted that it had inadvertently submitted incomplete data about Halcion's side effects to the FDA in the 1970s.

Halcion is one of a group of drugs called benzodiazepines which are the subject of legal action in several countries.

Insomnia cure faces sleepless nights, Page 19

World News

Aquino gives US three-year deadline for withdrawal

President Corazon Aquino gave the US three years to withdraw its forces from the Philippines after abandoning her plan to hold a referendum on a bases treaty. Page 18

Boat people going home
Britain and Vietnam are ready to go ahead with forced repatriation to Vietnam of boat people in Hong Kong camps who have been denied refugee status, UN officials said. Page 18

Lloyd's investigated
A Congressional committee is conducting a preliminary investigation into the activities of Lloyd's of London in the US. Page 8

Nuclear shutdown
America's oldest operating nuclear plant began shutting down at Yankee Rowe, Massachusetts, after Nuclear Regulatory Commission staff said the reactor's containment vessel could rupture. Page 4

Pollution shuts schools
A third day of heavy air pollution in Athens closed schools, left streets deserted and sent hundreds of people to hospital with breathing problems.

Military train explodes
A military freight train loaded with munitions exploded in the Georgian capital, Tbilisi, killing at least one person and injuring 26.

Haitians defy coup
Haitians put up barricades to defy the military junta that ousted President Jean-Bertrand Aristide, who is in the US seeking support. Page 4

Haughey survives
Ireland's prime minister Charles Haughey fought off a backbench rebellion within his party after giving an assurance that there would be no cover-ups in a series of financial scandals that have shaken his government. Page 2

Fire on submarine
A fire broke out in a rocket tube aboard a Soviet submarine in the White Sea during an underwater firing exercise. Tass said a large amount of rocket fuel spilled into the sea.

Cresson unpopular
More than half of voters think French president François Mitterrand should dump premier Edith Cresson just four months after he appointed her, an opinion poll showed.

Mobutu 'insulted'
President Mobutu of Zaire told western ambassadors that opposition leader Etienne Tshisekedi had insulted him and he would withdraw Tshisekedi's nomination as premier. Authority asserted, Page 3

Indian farmers arrested
About 1,000 Indian farmers were arrested during a protest near parliament in New Delhi against cuts in fertiliser subsidies. Picture, page 3

Jerusalem stabbings
A German woman was stabbed to death by a Palestinian near the Damascus Gate in Jerusalem's walled Old City. A woman companion was hurt.

Polish police accused
The chairman of a Polish parliamentary commission said former security police should face trial for scores of suspected political killings during the last years of communism. Walesa row, page 2

Spanish crew missing
An air and sea search was launched for 16 Spanish crew from a fishing boat which sunk off Rockall, in the North Atlantic. One survivor was rescued.

Up in smoke
The last commercials for tobacco will disappear from many TV screens today. An EC ban on all such advertising came into effect at midnight.

Business Summary

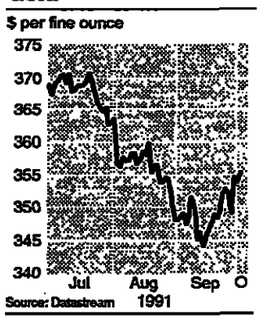
Rover and Honda to develop new car ranges

Rover and Honda, UK and Japanese carmakers, are to develop two new car ranges and Honda is to expand its £300m ($172m) UK assembly plant.

There is no plan for Honda to increase its 20 per cent equity stake in the Rover vehicle operations, which are 80 per cent owned by British Aerospace. Page 18; Car deal in high gear, Page 16

GOLD touched $357 a troy ounce, highest price for six weeks, in London as suggestions persisted that the former Soviet Union's reserves were much lower than most western estimates. It closed at $355.35, up $1.50. Page 26

Gold
$ per fine ounce



Source: Datastream

JARDINE MATHESON, Hong Kong-based trading group, is expected shortly to announce the sale of a substantial minority stake in Jardine Insurance Brokers, its insurance broking subsidiary. Page 24

BOW VALLEY Industries, Alberta oil and gas producer 54 per cent-owned by British Gas, intends to double its size through the purchase of oil reserves costing up to C$1bn (US$800m). Page 21

CHRYSLER, financially stretched US motor manufacturer, has raised $354m through the sale of 35m shares of its common stock. The offer was increased from 33m because of oversubscription, market sources said. Page 21

ROUX SEGUELA CAYZAC & Goudard, French advertising agency, is to merge with Eurocom to form the world's sixth biggest. Page 19

3i, Britain's biggest provider of development capital, with a value of up to £1.5bn ($2.6m) is to be floated in the spring. Page 19

C&S/SOVRAN, Atlanta-based bank which plans to merge with NCNB to form the third largest US banking business in terms of assets, is to provide for credit losses of about $300m in the third quarter, reflecting deterioration in its real estate portfolio. Page 19

ALL NIPPON Airways, Japanese airline, is to power its Boeing 777 wide-body aircraft with Pratt & Whitney engines in a deal which could be worth Y95bn ($714m).

JOHNSON MATTHEY, UK platinum marketing group, is to set up a development and manufacturing facility near Tokyo to produce automotive catalysts and fuel cell catalyst products. Page 4

BANK OF SCOTLAND, second biggest Scottish bank, reported pre-tax profits for six months to August 31 of £75.7m, 28 per cent lower than in the comparable period of 1990 but above brokers' expectations. Page 20; Lex, Page 18

JEFFERSON SMURFIT, Irish paper and packaging company, revealed a 9 per cent drop in interim pre-tax profits to IE75.19m ($120.5m) but raised its dividend by 40 per cent. Page 24; Lex, Page 18

THE LONDON Futures and Options Exchange closed its property futures market after a City regulator discovered "possible irregularities". Page 19

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Solchaga's liberalisation plan sidesteps the unions

Carlos Solchaga (left), Spain's finance minister, has taken revenge on the trade unions with measures abolishing final controls on capital movement and the bulk of the country's tariff barriers Page 2

MARKETS

STERLING
New York close:
$1.75 (1.7462)
London:
$1.752 (1.748)
DM2.9125 (2.915)
FFr9.93 (9.9325)
SFr2.545 (2.54)
Y232.25 (233)
£ index 91.2 (91.1)

GOLD
New York: Comex Dec
$358.6 (357.3)
London:
$355.35 (353.85)

N SEA OIL (Argus)
Brent Nov
$21.05 (20.875)

Chief price changes yesterday: Page 19

DOLLAR
New York close:
DM1.666 (1.6683)
FFr5.6765 (5.687)
SFr1.4562 (1.45545)
Y132.585 (133.48)
London:
DM1.6625 (1.6655)
FFr5.6675 (5.675)
SFr1.4525 (1.452)
Y132.55 (133.15)
$ index 64.2 (64.5)
Tokyo close: Y133.11

US closing rates
Fed Funds: 5% ($5\frac{3}{16}$)
3-mo Treasury Bills: 5.221% (5.232)
Long Bond:
$103\frac{3}{8}$ ($103\frac{3}{4}$)
yield: 7.824% (7.793)

STOCK INDICES
FT-SE 100:
2,644.2 (-1.4)
FT Ordinary:
2,037.9 (+2.0)
FT-A All-Share:
1,275.36 (1,275.62)
New York close:
DJ Ind. Av.
3,012.52 (-5.82)
S&P Comp
388.26 (-0.94)
Tokyo: Nikkei
24,375.11 (-1.9)

LONDON MONEY
3-month Interbank:
$10\frac{3}{32}$% ($10\frac{3}{32}$-$10\frac{1}{4}$)
Liffe long gilt future:
$96\frac{7}{16}$ ($96\frac{23}{32}$)

Yugoslavia's army cuts off Dubrovnik

By Laura Silber in Belgrade

THE YUGOSLAV federal army yesterday sealed off Dubrovnik, the Adriatic resort, as it stepped up its offensive against the rebel republic of Croatia.

Dozens of people were reported killed as fighting flared throughout battle zones in eastern and central Croatia.

Naval gunboats and federal army artillery units were pounding Dubrovnik and surrounding villages, the city's crisis committee said. It said four Croat national guardsmen had been killed and one woman had died when the army launched cannon and infantry attacks on the city.

It was virtually cut off from the outside world after the local television transmitter was knocked out in aerial attacks, Croatian radio said.

The army assault blocked off the region, cutting electricity, water supplies, roads and telephone lines. The European Community monitoring group was forced to drop plans to relieve its team in Dubrovnik after fighting blocked the road from Split, Croatia's second biggest port.

Gruz, the main harbour, which is less than a mile from Dubrovnik's historic centre, had been bombed, according to Tanjug, the Belgrade-based Yugoslav news agency. The attacks destroyed a petrol station, churches and hotels.

Intense civil defence preparations were under way in the old town. Treasured buildings were protected by sandbags and Venetian gothic churches boarded up.

The attack came hours after the Serb-dominated federal army issued a second ultimatum to Croatia and warned that it would destroy vital installations, including shipyards, unless Croatian forces lifted a blockade of army bases. It claimed Croatia had repeatedly violated the 10-day truce. "This has definitedly come to an end. Words will not be trusted any more."

Croatian radio said 15 federal soldiers had been reported killed in Nova Gradiska, central Croatia. Four people killed and 61 injured in Vukovar, and two killed in mortar attacks on nearby Osijek, the embattled regional capital of eastern Croatia.

Fighting was also reported around the central Croatian towns of Sisak and Pakrac and around Zadar, on the coast about 240 miles northwest of Dubrovnik.

Serbia warned yesterday that if Croatia and Slovenia declared full independence on October 7, when the EC-brokered three-month moratorium expires, the borders between republics would be redrawn.

An EC-sponsored peace conference is due to resume tomorrow in The Hague.

CHANGE OF GUARD AT THE BARRACKS

A Croatian fighter yesterday outside a destroyed Yugoslav army barracks in Bjelovar

Cabinet supports slimmer council for Bundesbank

By Andrew Fisher in Frankfurt

GERMANY'S federal cabinet yesterday approved a streamlining of the Bundesbank's policy-making council, prompting criticism from some regional states but approval from the central bank.

The new council, which still has to win parliamentary approval, will have east German representation for the first time.

The cabinet approved the proposal by Mr Theo Waigel, the finance minister, to reduce the number of Länder (state) representatives on the Bundesbank's council from 11 to nine.

The Bundesbank was concerned that the creation of five new states through German unification could have increased state representation to 16 and thus made discussions unwieldy.

The reduction in the Länder component of the council would be achieved by merging existing regional central banks. In east Germany, only Saxony would have its own regional bank, while the other states would link up with western Länder.

Under the new law, the council would have a maximum of 17 members instead of a possible 26. As well as the reduction in regional members, the permanent directorate, headed by Mr Helmut Schlesinger, Bundesbank president, would have a maximum of eight instead of 10.

Still to be decided is whether the legislation needs to pass the Bundesrat (upper house of parliament), where the Länder (states) are represented and where opposition could surface, as well as the Bundestag (lower house).

The cabinet meeting was attended by Mr Schlesinger. The council meets every fortnight to consider monetary policy and take decisions such as interest rate changes.

It currently consists of 16 people.

These include the permanent directorate, headed by Mr Schlesinger. The directorate can total a maximum of 10 members, but is currently only five. The vacancy caused by the resignation of Mr Karl Otto Pöhl as president has yet to be filled. It was Mr Pöhl who put forward the plan to cut the council's size.

The change in the law would need to pass the Bundesrat only if it was decided that the interests of the Länder were affected.

Cabinet and Bundesbank officials said this was not the case, however, since monetary policy was a national and not a regional issue.

Moscow plays down plan to cut size of army by nearly half

By Gillian Tett and Neil Buckley in Moscow

THE Soviet Defence Ministry yesterday played down reports of plans to cut the Soviet army by nearly half, and said that the size of any cut depended on negotiations with the west.

Lieutenant-General Pavel Grachev, first deputy defence minister, told a committee of the Russian parliament on Tuesday that the army would be cut from 3.7m men to between 2m and 2.5m men by 1994, according to a report from the independent news agency Interfax. But a spokesman for the Defence Ministry said yesterday that Gen Grachev was "expressing his personal opinion".

"A special committee is examining the question of reforming the army, but it has reached no concrete conclusions," the spokesman said.

A ministry statement yesterday also said that "in the foreseeable future the number of Soviet armed forces could be reduced, within the framework of talks on disarmament, from 3.7m to 3m. In future, further cuts are not excluded."

Marshal Yevgeny Shaposhnikov, newly-appointed defence minister, has several times said the likely future size of the army is around 3m.

Gen Grachev's statement, however, provoked little surprise from western military experts in Moscow.

A British military source noted that the direction of Gen Grachev's comment was "totally expected" in light of the economic pressures in the Soviet Union for military reduction and the problems that the Soviet army would face in relocating units it planned to withdraw from eastern Europe and the Baltics.

A series of draft proposals for the reduction and professionalisation of the Soviet army have been under discussion both before and after the August coup.

These ranged from one radical draft plan suggested by the Russian parliamentary defence committee last autumn which proposed reducing the army to 1.5m, to the more conservative plans produced in the spring by General Mikhail Moiseyev, formerly chief of Soviet general staff, which called for a minimal reduction to 3m.

However, all the figures for reduction proposed so far, including Gen Grachev's on Tuesday, have been ambiguous, for example about whether they referred to the entire army or excluded KGB border guard units and construction units.

THE BRITISH government is to help promote an enterprise culture in Russia by setting up business advice centres, Mr Michael Howard, the employment secretary, said in Moscow yesterday, writes Neil Buckley in Moscow.

Mr Howard, on a three-day visit to Russia, said he had signed an agreement with the mayor of Moscow's eastern Pervomaisky district and the Russian government to establish the city's first small business centre.

The project will receive financial assistance from the UK's £50m "know-how" fund.

Earlier this week Mr Howard signed a joint statement of intent with ICL, the computer company, and St Petersburg city council to found a business advice centre on the site of what had previously been a Soviet training centre.

Spying comes in from the cold

By Neil Buckley in Moscow

IT WAS a far cry from Philby and Maclean. Mr Yevgeny Primakov, new head of the Soviet foreign intelligence service, yesterday promised to bring glasnost to spying.

"Intelligence is very secret, but for years it has been closed even in those aspects where it should be open. I am in favour of opening everything up that can be opened," he said.

Mr Primakov has been appointed by President Mikhail Gorbachev to run a new foreign security service separate from the KGB, which will concentrate on internal security.

As an intellectual, as well as Mr Gorbachev's former special envoy to the Middle East and former director of the Institute of Oriental Studies, Mr Primakov might seem an unlikely choice for the post – although he has admitted that he enjoys John Le Carré novels. But he assured a packed news conference that his scientific background made him well-suited to be a modern-day spymaster.

"If you think intelligence is people in grey coats standing on street corners eavesdropping, and hitting people occasionally with batons, then my nomination might look unnatural. But intelligence should work more and more on analytical methods, synthesise and analyse, and prepare reports. This is scientific work."

The former journalist promised better relations with the media, and said he would end the use of Soviet journalists as intelligence agents. The diplomatic service would still contain agents, however.

He also promised the new service would be an independent body, serving the interests of the state as a whole, not defending "political structures or personalities".

As well as protecting national security, it would monitor areas such as international terrorism and the narcotics trade – areas in which it might co-operate with foreign intelligence services.

The new service has not yet been given a name, Mr Primakov said, and he was unclear how many KGB agents abroad it would use. Every intelligence service respected good operatives, but there was a need for constant replacement of personnel. Any purge of the old guard would be carried out "as bloodlessly as possible".

Walesa 'kitchen cabinet' attacked

By Christopher Bobinski in Warsaw

A POLITICAL row is brewing in Poland over a warning in the Tygodnik Solidarnosc, the Solidarity movement's weekly paper, that President Lech Walesa and his closest associates could impose a dictatorial regime.

The paper charges that Mr Walesa and his inner circle took decisions during the Soviet coup in August without recourse to any constitutional bodies empowered to act during a crisis.

The unprecedented attack on Mr Walesa's style of government is by Mr Krzysztof Wyszkowski, one of the original handful of dissidents from Gdansk who, along with Mr Walesa, pre-date the birth of Solidarity, and who was a key member of the president's campaign staff last autumn.

He argues that a "kitchen cabinet" composed of Mr Mieczyslaw Wachowski, a former taxi driver and now a close adviser to Mr Walesa, Mr Andrzej Drzycimski, a journalist and the president's press spokesman, and Fr Franciszek Cybula, his personal chaplain, is becoming, with Mr Walesa, the real source of power in the country.

Mr Wyszkowski claims that the worsening economic situation, if coupled with the emergence of a fractious parliament and a weak government following elections on October 27, will help concentrate power in Mr Walesa's hands.

The attack comes as the election campaign is getting under way and follows rumours that the president is preparing to ditch Mr Jarolaw Kaczynski, who formally heads his office.

Mr Kaczynski's twin brother Lech is a contender for the post of defence minister and heads the country's National Defence Committee, which was bypassed by Mr Walesa during the August crisis.

Yesterday, one of Mr Walesa's entourage, Mr Drzycimski, said the attack amounted to little more than electoral intrigue. He said Mr Wyszkowski's version of events during the Soviet coup were erroneous. "Nothing like that happened," he declared.

Mr Wachowski, who appears to be closest to Mr Walesa, has already been the object of criticism. A recent attack on him in the Dziennik Baltycki, a Gdansk daily part-owned by Solidarity, shows that feeling is running high on the issue in Mr Walesa's own constituency.

Germans divided over unity

By Christopher Parkes in Bonn

GERMANY WAS warming up yesterday in sober, even sombre, mood for today's celebration of its newest official festival: the Day of German Unity.

"We must learn to come to grips with reality" in our economic and social system, President Richard von Weizsäcker said on national television. People found it difficult to appreciate during the 12 months since unification how much the east and west of the country had diverged in their attitudes and ways of life during the years of division. "It is a hard and painful road, but we are going slowly forward."

Just how slowly was reflected in the results of a survey yesterday by the Infas social research unit. It showed that 60 per cent of Germans believed it would be 10 years at least before living standards in the east matched those in the west.

Frontier barbed wire and the Berlin Wall have been replaced by the so-called "D-Mark-ation line". And while 80 per cent in the west feel they are contributing heavily, only 47 per cent of those in the east agree, and 70 per cent of people in the former German Democratic Republic feel that too much is expected of them.

They are living with mounting unemployment, industrial output reduced by half, rising rents and wages at around a half or less of western levels. The survey showed that almost twice as many people in the west as in the east (21 per cent against 12 per cent) felt that Germany would have been better left split in two. Even so, no-one wanted the Wall back.

Brussels checks on Fiat plan

By David Gardner in Brussels

THE European Commission yesterday opened an inquiry into the Italian government's plans to contribute some £1.7bn for Fiat's L12,000bn (£5.5bn) new investment in the depressed southern Mezzogiorno region.

EC competition officials said it was a routine investigation into regional aid it believed justified in principle. Because of the subsidy's size, "we want to make sure it is justifiable so we can defend it," Sir Leon Brittan, competition commissioner, said.

The Italian government considers L7,800bn of the Fiat investment plan is eligible for state aid under EC rules, through grants, soft loans, tax and social security breaks, as well as under energy efficiency and research provisions of Italian law. The Commission is likely to concentrate on the latter two criteria, as it calculates how the aid base was arrived at.

The Mezzogiorno is eligible for high aid rates under EC law, which provides for state and Community support to help laggard or declining regions build infrastructure.

Haughey quells Fianna Fail storm over financial scandals

By Tim Coone in Dublin

IRELAND'S beleaguered prime minister, Mr Charles Haughey, yesterday fought off a backbench rebellion within his Fianna Fail party after giving assurances that there would be no cover-ups in a series of financial scandals that have shaken his government.

Fianna Fail's chief whip, Mr Vincent Brady, said after a stormy six-hour meeting of the party's parliamentary group convened to discuss the scandals that Mr Haughey had promised that anyone found guilty of any wrong-doing "will get no protection whatsoever from the government".

Two back-benchers, nevertheless, called for Mr Haughey's resignation during the meeting, saying he should not lead the party into the next general election. Mr Brady, however, said that the majority still backed Mr Haughey.

The Irish telecommunications minister, meanwhile, recommended yesterday that a High Court inspector be appointed to investigate the purchase in 1990 of the new headquarters for Telecom Eireann, the state-run telecommunications company.

Controversy over the property deal led to the resignation of Mr Michael Smurfit, the Telecom chairman, last week. An internal telecommunications ministry probe into the deal, made public yesterday, was unable to obtain crucial details of transactions involving the transfer of the site by United Property Holdings (UPH) to Telecom in April 1990 for I£9.4m (£8.6m) because it took place through a series of intermediate shelf companies.

Therefore, Mr Seamus Brennan, the minister, felt it necessary to appoint an external inspector with powers to investigate the beneficial ownership of the intermediate companies.

Mr Smurfit had a 10 per cent interest in UPH, but has said that at the time he had no knowledge of UPH's involvement in the deal. This has been contradicted by Mr Dermot Desmond, chairman of the prominent Dublin stockbroking firm NCB, which set up UPH as a property investment vehicle. He told the internal inquiry he had informed Mr Smurfit's lawyers in February 1990 of UPH's interest. However, this wa denied by the lawyers last night.

According to the internal inquiry, Mr Desmond continued to act as an intermediary in the negotiations with Telecom for the site while it was being sold through three intermediary companies, Chestvale, Delion and Hoddle Investments. He also arranged a loan for one of the transactions.

The revelation of Mr Desmond's role has added fuel to the controversy, because he is a friend of Mr Haughey.

The complex chain of deals resulted in profits of more than I£3m for the intermediary companies on the site's final disposal to Telecom. Mr Smurfit says neither he nor any of his family benefited from the sale.

Soviet minister in Prague to initial bilateral treaty

MR BORIS PANKIN, the Soviet foreign minister, arrived in Prague yesterday to initial the first bilateral treaty between Czechoslovakia and the Soviet Union since the Czechoslovak revolution in November 1989, writes Ariane Genillard.

The treaty had been delayed because of a clause preventing signatories from entering into opposed military alliances. The Soviet Union agreed to drop the clause after the abortive coup in Moscow in August. The pact will be signed by the two countries' presidents at a later date.

Tajikistan bans Communists again

Parliament in the Soviet central Asian republic of Tajikistan bowed to opposition demands yesterday and reimposed a ban on the local Communist party, Reuter reports from Moscow quoting Tass news agency. The Communist-dominated parliament had overturned a ban imposed on the party by acting president Kadreddin Aslonov when it forced him to resign on September 23.

Solchaga rides roughshod over the unions

Peter Bruce in Madrid watches some fancy footwork by Spain's finance minister

THE OFFICES of Spain's two most important union leaders are quite far apart in Madrid, but the old Socialist downtown and the young Communist further north seem to be in just about the same despondent mood.

Mr Nicolas Redondo, the once jolly leader of the Socialist General Workers Union (UGT), is thin and drawn and his colleague at the Communist Workers Commissions (CCOO), Mr Antonio Gutierrez, seems far too distant and weary to be the same man who brought Spain to a standstill in a general strike on December 14 1988.

These are the two men who triumphantly flattened any hopes the government had this summer of negotiating a *pacto de progresso* – a wages deal linking pay rises to productivity – by walking out of talks with Mr Carlos Solchaga, Europe's most durable and wily finance minister. If they are gloomy now, it is because it has become clear that they have been neatly sidestepped, for the moment at least.

The pact was touted by Mr Felipe Gonzalez, the prime minister, as essential to efforts to make Spain competitive ahead of the European single market after 1992. But, says Mr Redondo, "it had nothing to do with competition. They wanted union support for economic policy for three years". And, anyway, says Mr Gutierrez, "we do not reject the idea of becoming competitive. We rejected a specific proposal. This government wasted the boom years [1986 and 1989]. There was no industrial policy and now we are still chasing the same goals in Europe in much worse conditions. We are not competitive.... nothing has been done."

> Mr Solchaga's measures are among the final elements of a systematic attack on the ability of governments, parties or unions to manipulate the economy.

Not long ago, union anger at this level would have alarmed the government. But they are being written out of Mr Solchaga's script.

Weeks before the pact was due to be discussed, Mr Solchaga knew it was destined to fail but he went through the motions and took care to insist on the gravity of the issue. Once the unions had walked away from it, he quickly turned to another problem – the Socialist party and spending ministries, which were unhappy about a budget squeeze he was planning for 1992. Faced with revolt, he rapidly agreed to a spending increase of 8.4 per cent.

Having "failed" to negotiate a pact with the unions and after being overruled in the party on budget cuts, the minister went to parliament last week to give an address he must have savoured for a long time – abolishing final controls on capital movement and the vast bulk of the country's tariff barriers. Spain, he pronounced, was as liberalised as it was possible to be.

Sitting with Mr Gutierrez as the measures were announced, reaction was easy to measure. Mr Solchaga, he said, had "dynamited" any prospect of new talks arising from the ashes of the old pact. Quite. This was, after all, revenge.

For the party and his free-spending cabinet colleagues, Mr Solchaga had even more chilling news. He plans to free the Bank of Spain from political control. In Spain, that will never quite be the case, but it will soon be impossible for the Treasury to borrow from the bank, a sobering prospect for a government accustomed to resorting to the bank whenever interest in its bonds wanes.

Mr Solchaga's measures are among the final elements of a systematic attack on the ability of governments, parties or unions – none of which he or Mr Gonzalez trusts – to manipulate the economy. With capital controls gone, tariff barriers vaporising, price-fixing guilds of pharmacists, lawyers, opticians and other professionals under attack, and monetary power shifting from the government to the central bank, the institutional framework for the economy's final passage into adulthood is nearly complete.

This would be peseta membership of the narrow band of the European monetary system's exchange rate mechanism and submission to the most exacting common policy discipline. The peseta would be able to fluctuate by only 2.25 per cent against other EMS currencies rather than 6 per cent as at present. The burden of economic control would shift decisively from monetary to fiscal policy.

But Mr Solchaga wants to sit back awhile to see how his liberalising measures affect the peseta. He insists the currency will enter the narrow band but "not in the next few months". Nevertheless, inflation, interest rates and the budget deficit are all, for the moment, heading slowly downwards and making narrow band entry increasingly credible.

It is not a prospect that amuses Mr Gutierrez. "We would come off the rails at the first turn (in the narrow band)," he says. "The government thinks of competition in terms of competing on prices by keeping wages low. It is absurd to think a Community country can be competitive in it by using the industrial weapons of places like Taiwan and Korea. We need an industrial policy."

There is no dialogue here. Mr Gutierrez means job creation. Mr Solchaga, if he ever used the term, would mean making industry compete and, unfortunately for the unions, the finance minister seems unsinkable.

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INTERNATIONAL NEWS

Charges focus on Philippine nuclear power station contract

Westinghouse faces bribery trial

By Frank Gray

WESTINGHOUSE Electric, the US power equipment supplier, and Burns & Roe, engineering consultants, will be required to face trial by jury in Newark, New Jersey, in connection with allegations of bribery and corruption concerning a contract to build a nuclear power station in the Philippines.

The case revolves around $17m in consultancy fees allegedly paid to Mr Herminio Disini, a close associate of the late President Ferdinand Marcos, who represented the interests of the two companies in their contract bid.

The decision that the matter should go to a jury trial, to start next February, was taken last week by Federal Court Judge Dickinson Debevoise, who rejected the two companies' appeal for a summary judgment – in effect, a motion to dismiss the case or refer it to arbitration under the International Chamber of Commerce in Geneva and outside US court jurisdiction.

Negotiations between Westinghouse, Burns & Roe and the National Power Corporation started in 1973, with the prime contract going to Westinghouse in 1976. A state of martial law was in place during the life of the project which, Judge Debevoise noted, gave Marcos ultimate authority over the Philippine people and Philippine institutions.

The 620MW nuclear station, the first such station in south-east Asia, was sited on the Bataan Peninsula west of Manila. It was completed just before the overthrow of the Marcos regime in 1986. The plant was mothballed by Mrs Corazon Aquino, his successor, following claims that the new government had discovered irregularities in the original contract award.

In his ruling, the judge stressed the defendants' perceived need to employ a consultant closely connected with the president, because of the then martial law. Mr Disini's wife was Mr Marcos' cousin and physician. "I find there is ample evidence to permit a reasonable jury to find the Disini commissions were intended to be paid in whole or in part to President Marcos and were, in fact, paid to him or on his direction," the judge said.

There was evidence both companies "took steps to cover up the payments", he stated, adding that after press reports in 1977 suggesting improper payments to win the deal, "Westinghouse burned the files in Manila relating to procurement of the contract. Other records were destroyed and other efforts were made to avoid discovery of the [Disini] agreement."

Westinghouse said it was disappointed the summary judgment motion was denied, but stressed the judge had "merely concluded that factual questions must exist which the jury must determine". "We know of no evidence, in any documents or in any testimony, that demonstrates Westinghouse directly or indirectly ever paid one dime to President Marcos." The plaintiffs seek recovery of the amount of any alleged bribes paid, the defendants' revenues and profits from the project, and punitive damages.

Frank Gray edits Power in Asia, an FT energy newsletter.

The son of an Indian farmer is hoisted up to wave a flag during a farmers' demonstration near the prime minister's office in New Delhi yesterday. A thousand protesters were arrested as they tried to approach parliament in protest against cuts in fertiliser subsidies

Iran 'to reimburse N-plant losses'

INTERNATIONAL arbitrators have ordered Iran to reimburse losses of FFr4bn ($700m) to three French companies over a nuclear power plant in Iran, Framatome, the nuclear energy group, said yesterday, AP reports from Paris.

The late Shah of Iran hired Framatome, Alsthom and Spie-Batignolles to construct a nuclear power plant at Karun, before he was overthrown in the 1979 Islamic revolution.

Ayatollah Khomeini's regime cancelled the contract and other French nuclear energy projects, triggering multi-billion dollar disputes.

The French companies claimed losses of FFr5bn and the International Chamber of Commerce in Paris referred the case to arbitrators in Lausanne, Switzerland.

The panel ruled in late August that Iran owed the three companies FFr4bn, Framatome officials said, although the decision has not yet been announced officially.

The Framatome officials did not disclose how the money was to be divided.

The judgment – which comes six months after the consortium was ordered to pay Iran FFr550m for breaking contracts to supply the facility with nuclear fuel – is suspended pending an overall Franco-Iranian accord on financial disputes stemming from the revolution.

The dispute is rooted in the Shah's 1974 investment of $1bn for a 10 per cent stake in Eurodif, an agency overseeing uranium enrichment for several west European countries.

After the revolution France froze the Iranian stake in Eurodif, and Iran scrapped the Shah's plan to build 20 nuclear power plants. Tehran claimed the Shah's investment, with interest; Paris countersued Iran for damages from billions of dollars in broken contracts.

Mr Ali Akbar Velayati, Iranian foreign minister, had been expected to sign a final settlement during a visit to Paris in June but he went home empty-handed. Iran has denied French media reports that the complication was due to an unexpected demand for enriched uranium from France.

Both countries have appeared determined not to let the issue affect improving relations. Iran badly needs western investment, and France hopes for large contracts in rebuilding infrastructure.

Mobutu seeks to reassert his authority

By Julian Ozanne in Kinshasa

THE national conference to decide the Zaire's political future, was called off yesterday amid signs of a power struggle between beleaguered President Mobutu Sese Seko and the opponent he has chosen to form a government.

The meeting was postponed after the ruling Mouvement Populaire de la Revolution accused the opposition of breaching a pact which promised the new government would have a balance of MPR and opposition seats.

The wrangling over the government's composition and over whether the president would continue to have a "reserved domain" of power over defence, security, foreign affairs and the exchequer threatens to plunge Zaire further into turmoil.

Mr Mobutu's reassertion of presidential authority threatens to derail attempts to broker a solution to the crisis.

His move followed claims made by Mr Etienne Tshisekedi, leader of the opposition Union for Democracy and Social Progress and the man charged with forming a government, that as prime minister he would take control of the army and the entire decision-making process of government and that the president would be a figurehead.

'Executives approved Noriega transfers'

By Henry Hamman in Miami

TOP management executives of the Bank of Credit and Commerce International approved of the bank's Panama branch helping to divert funds belonging to the Panamanian National Guard to personal accounts of Gen Manuel Antonio Noriega, a former bank executive has alleged.

The allegation is contained in an affidavit sworn by Mr Daniel González, the former deputy manager of the BCCI office in Panama City. The affidavit was filed in Miami Federal District Court by lawyers for the Republic of Panama.

The Panamanian government has filed a civil suit in the US against BCCI in an effort to recover what it claims is government money the bank illegally allowed to be deposited in Gen Noriega's accounts.

Gen Noriega is on trial in Miami on drug trafficking charges.

Mr González alleged that, starting in 1982, Gen Noriega, then head of the National Guard, used BCCI to channel $30m in government funds to personal accounts in Britain.

The affidavit claims that Gen Noriega authorised BCCI to open "a series of secret accounts in his name". He said Gen Noriega "clearly informed BCCI that the funds in this account relationship were National Guard funds".

Mr González alleges that "the nature of the Noriega secret National Guard accounts was known by the top management of BCCI worldwide and the various European and US branches receiving funds from Panama".

He claims that BCCI branches which received the National Guard funds "did so with top management knowledge and approval". Mr González further claims that Gen Noriega was so closely linked to top management in BCCI that he was able successfully to demand the replacement of the bank's country manager, Asif Mujtaba by Amjad Awan.

According to Mr González, after Mr Awan became country manager in Panama, he carried suitcases of cash into the bank offices to deposit in Gen Noriega's secret accounts.

In addition to acting as a conduit for National Guard funds, the affidavit alleges that BCCI accepted deposits of "tens of millions of dollars in drug proceeds which (Gen Noriega) placed in other BCCI branches". Much of that money is alleged to have been transferred to BCCI in Paris.

Abu Dhabi branch sacks most staff

BCCI sacked up to three-quarters of the 450 staff at its Abu Dhabi headquarters yesterday, banking sources said, Reuter reports from Dubai.

They said the staff were given letters which terminated their contracts. The letters, dated October 1, informed the staff they would be paid their August and September salaries as well as one month's pay in lieu of notice.

China to look into links with BCCI

By Robert Thomson in Beijing

THE People's Bank of China and the Bank of China, the foreign exchange bank, have launched investigations into the exposure of Chinese corporations to the Bank of Credit and Commerce International (BCCI) and plan to tighten control over foreign currency deposits by state-run corporations.

Both institutions have decided to improve their access to debt rating information and are expected to crack down on corporations which maintain secret hard currency accounts with foreign banks.

Provincial trading companies are often reluctant to surrender their hard currency earnings and maintain the offshore accounts in contravention of Chinese law.

The People's Bank and the Bank of China are still trying to calculate the total amount of Chinese deposits with BCCI and its subsidiaries, but estimates range from about $200m to $300m. An accurate calculation is made difficult by the reluctance of Chinese corporations to confess to unauthorised accounts.

Tao Liming, manager of the Bank of China's International Finance Institute, said that "we know a lot of companies had connections" with BCCI. The bank had a branch in the special economic zone of Shenzhen, adjacent to Hong Kong, and representative offices in the southern cities of Guangzhou and Xiamen, as well as in Beijing.

BCCI was regarded as a skilful operator in the Chinese market, having cultivated senior Communist party officials, offered more attractive interest rates than the competition, and successfully traded on its reputation as a representative bank of the third world.

"We have admitted that there is a problem of illegal foreign exchange accounts, but we don't know how many of these accounts were with BCCI. The People's Bank has been trying to solve this problem for a long time. We know that there were many legal accounts with the bank," Tao said.

The People's Bank and the Bank of China have assigned special teams to examine the BCCI issue and to suggest options for improving the flow of information about foreign financial institutions. Tao said his bank is likely to seek closer ties to debt rating agencies, while financial officers at the People's Bank said they want to improve its international standing as a central bank.

ANC may 're-evaluate' foreign loans

By Patti Waldmeir in Johannesburg

MR Cyril Ramaphosa, secretary general of the African National Congress, said yesterday a future ANC government reserved the right to "re-evaluate" foreign loans made to the current South African Government.

"The new democratically-elected government cannot just be a rubber stamp for the actions and undertakings of an apartheid government, which could have agreed to onerous conditions, making it difficult for a new government to achieve its objectives," he said in a statement, adding "we will need to carefully evaluate the conditions for each loan."

His comments could hamper South Africa's efforts to raise capital on international markets. Pretoria imposed a debt repayment standstill in 1985, following the refusal of foreign banks to roll over loans to the South African Government. It has made tentative moves recently to return to world capital markets.

Mr Ramaphosa's statement appeared to be aimed primarily at strengthening the flagging international sanctions campaign against South Africa. He emphasised the ANC's opposition to the granting of international loans to the country until an interim government had been formed.

But, taken together with last week's statements by Mr Nelson Mandela, the ANC president, that the ANC would nationalise mines, banks and so-called "monopoly industries", Mr Ramaphosa's comments will further shake foreign and local investor confidence in the future of the South African economy under an ANC government.

The ANC later appeared to distance itself from Mr Mandela's remarks, saying they had been taken out of context. However, the ANC leader has repeated his views on nationalisation three times in a fortnight, leading to confusion over ANC policy on the issue, which had seemed to be moving away from nationalisation.

South African conglomerates under attack

By Philip Gawith in Johannesburg

THE SIMMERING debate in South Africa about the high degree of corporate concentration has been revived following the publication of a controversial report by the country's Competition Board.

In its report, the board says "the indications are that both from an economic and a political perspective the degree of economic concentration in this country is probably too high." This is a reference to the control of about 80 per cent of the Johannesburg Stock Exchange (JSE) by South Africa's four largest groups.

The report will be welcomed by the African National Council, the main black opposition group, which believes the power of the country's large conglomerates causes a maldistribution of wealth and investment. It said in a recent discussion paper that it would mount an inquiry into the subject "with the objective of encouraging a more equitable and efficient ownership pattern in the private sector."

Although the board's comments enjoy no legal status – they were a postscript to a report finding that share purchases in Gold Fields of South Africa by Anglo American and De Beers did not constitute a restrictive practice – they represent an unwelcome reminder to the country's largest companies of a thorny policy debate which will not go away.

Mr Michael Spicer, spokesman for Anglo American, South Africa's largest company, said they welcomed a serious airing of the matter, but he said the tone of the board's comments as "unhelpful" and a number of the views were "highly debatable".

Anglo American acknowledges that it controls about 30 per cent of shares on the JSE – others claim the figure is higher – but are unapologetic about their size. They have argued robustly that South Africa needs more large companies, not fewer, if it is to develop large capital projects and compete on world markets.

The report notes that there is evidence of conglomerates unbundling, and says this process "needs to be extended and should include the identification of barriers to entry and inefficiencies that are caused by excessive conglomeration".

In a highly provocative passage, the board then threatens that if "as a result of a lack of action or resolve, there should be no discernible improvement in the situation in the short term, it is conceivable that a few years hence more dramatic steps... are likely to be implemented".

It also addresses the questions of interlocking directorates – where members of companies sit on the board of their competitors – suggesting that such directors "do some serious soul-searching if they recognise the significance of the competitive process in a market-driven economy".

Iraqi uranium to be sent abroad

By Bronwen Maddox in Bahrain

ANY UNUSED uranium fuel from the bombed Soviet reactor at Iraq's Tuwaitha research centre will be sent to Britain and France, with the value of the fuel defraying the cost of transport, a UN official said.

The cost of dismantling Iraq's small reactors, the biggest demolition task facing the UN's nuclear inspection team, has been estimated at up to $20m. The UN is expected to offset the expense against Iraqi oil revenues.

At the weekend Mr Rolf Ekeus, the Swedish chairman of the special UN commission set up to inspect and destroy Iraq's unconventional weapons, will present the UN's draft document for future inspections to the Iraqis in Baghdad.

Extra clauses covering the treatment of inspectors were inserted into the document this week. Inspectors were detained for four days in the car park of the Iraqi Atomic Energy headquarters last week after refusing to surrender finance and personnel records they had seized.

Maori minister fired

New Zealand's prime minister, Mr Jim Bolger created a political furore yesterday when he sacked Mr Winston Peters, the Maori affairs minister, in a cabinet reshuffle, Terry Hall writes from Wellington.

Mr Peters, a Maori, has long been seen as a future prime minister, and consistently outranks Mr Bolger in opinion polls.

China's secret view of the world

Beijing awaits news from its rewrite team, reports **Robert Thomson**

REWRITING ideology and history has been a talent of the Chinese Communist party. But the task of making a purged leader "disappear" from party texts was simple in comparison to the present challenge of finding an acceptable, Marxist justification for the purge of communism in the Soviet Union.

Most Chinese officials will concede only that "something has happened" in Moscow or talk vaguely of "the events in the Soviet Union". The evasiveness is a sign of the issue's sensitivity, and an indication that a more coherent explanation is still under discussion by the party's rewrite team.

An important figure in this process is Professor Sha Jiansun, party historian and a leading theoretician, whose ideas are influential among the elderly revolutionaries still at the helm of the party. He laughs almost mockingly when asked if he is "disappointed" by communism's collapse, and he is adamant that Marxism will ultimately prevail in spite of "the present twists and turns".

"My conclusion is not based on abstract ideas. Our party has grown strong despite a difficult environment in the early years. Twice we were facing extinction in our fight against the nationalists and we launched the Long March. We have survived miraculously and no true Marxist could be disappointed by our achievements," he said.

Reaching deep into party history for an explanation flatters those elderly revolutionaries, who have seen the icons of their ideology bulldozed during the past year. In the past, the party has relied heavily on nationalism with its brand of "socialism with Chinese characteristics". But it has also been an important tenet that Marx, Lenin, and Mao Zedong were sources of universal truths – China's ideological isolation has challenged that article of faith.

"The passage of feudalism to capitalism in western countries was not a straight line. Marxism's growth has not taken a straight forward path. It is unimaginable that there would not be turns in other countries, but the fundamental contradiction between capital and labour remains, and socialism will prevail. This is not subjective, it's scientific."

He laughs almost mockingly when asked if he is "disappointed" by communism's collapse, and he is adamant that Marxism will ultimately prevail in spite of "the present twists and turns"

The professor's work is sensitive in the extreme. The headquarters of the research committee on party history, of which he is deputy chairman, is in a compound not far from the summer palace in the west of Beijing. Inside the front door of the drab building, a young soldier stands with semi-automatic rifle at the ready, apparently guarding archival material, much of which remains secret. In explaining the collapse of Soviet communism, the professor emphasises that the world's two largest communist parties took different paths, and that the Chinese chose the correct route. He said the party has consistently moulded Marxism to suit China's "special conditions".

"We had a lot of advice from Soviet officials in the late 1920s and early 1930s, and while some of our members wanted to obey the Soviet Union, we developed our own line. It should also be said that we had members who supported capitalist economic theories, but even then, it was agreed the system was a total failure."

But the elderly revolutionaries have recently been troubled by the threat of a "peaceful evolution" to capitalism. Like many of the Chinese party's beliefs, the concept has been recycled several times. It dates back to comments in a US white paper on communism in 1949, the year of the Chinese revolution, and was revived after the rise of Krushchev and the collapse of friendship between Moscow and Beijing.

"Chairman Mao made some important comments about peaceful evolution that are very relevant to us today. We have to guard against revisionism because the US has always had hopes that our third or fourth generation of leaders would weaken. They know that our old revolutionaries would never deviate," Prof Sha said.

It is often difficult to distinguish between what Chinese officials feel and what they feel they must say. The professor said he favours economic reform, and his willingness to meet a foreign journalist was based on his conviction that "China should be more open to the outside world."

But much in the professor's line of work remains closed. Asked to explain the secrecy surrounding the party, its leaders and its doctrine, he said that officials are less secretive than they used to be. He recently co-edited an official history to mark the party's 70th anniversary this year, and was proud that "we mentioned the past two general secretaries and their merits and demerits" – the two, Hu Yaobang and Zhao Ziyang, were both removed in disgrace from the post.

"We have realistic sensitivities. Some of the problems we discuss cannot be released immediately. The timing of our statements has to be considered as well as the content. We can research a problem now, but we will not necessarily release our conclusions now."

AMERICAN NEWS

US regulators close N-plant on safety fear

By Martin Dickson in New York

A NUCLEAR power station has been closed after the US Nuclear Regulatory Commission expressed concern about its safety.

Opponents of nuclear energy are claiming the closure of the Yankee Rowe plant, in western Massachusetts and the oldest operating nuclear power station in the US, as a big victory.

The closure might not be permanent and the owner, a consortium of north-eastern utilities, has disagreed with the commission's conclusions.

The closure is important because 31-year-old Yankee Rowe has been at the centre of a dispute over the re-licensing of the ageing US nuclear plants.

It was to have been one of the first plants to apply for a renewal of its 40-year operating licence, due to expire in 2000, but that idea has been frozen by the safety row. Re-licensing of the country's 111 operating nuclear plants, which generate some 19 per cent of US electricity, is important for the industry because no new plants are being built.

Every order for a nuclear station after the mid-1970s was cancelled due to changing energy demands, soaring construction costs and political revulsion against nuclear power.

A nuclear watchdog group petitioned the NRC last summer to shut Yankee Rowe on the grounds that the reactor's pressure vessel, which contains its fuel and cooling water, had become so brittle that it could crack in an emergency and release radiation.

The NRC had turned down the request, saying the plant could operate until April next, when it was due to close for detailed inspection, but this week the NRC, after fresh tests, recommended closure.

The nuclear industry fears the commission's stand could foreshadow a tougher approach towards plants seeking licence renewals.

IMF now net provider to problem countries

By Peter Norman, Economics Correspondent

THE International Monetary Fund has become a net provider of finance to countries with economic problems, after years in which the total credit extended by the fund has declined.

The IMF's annual report, published last night, showed that the total credit extended by the fund increased to 25.6bn special drawing rights (£19.96bn) in its financial year to the end of April, from SDR24.4bn the previous year, after a sharp increase in its loans to eastern Europe.

Total IMF disbursements increased to SDR6.8bn in the 1991 fiscal year, from SDR5.3bn the year before, while repayments to the fund fell to SDR5.6bn from SDR6.4bn. This pattern of lending and borrowing reversed a steady decline in outstanding IMF credit from a peak of SDR37.6bn in 1984-85.

The IMF's reappearance as a net supplier of funds to countries in trouble will be welcomed in the developing world but the heavy take-up of finance by eastern Europe is a cause of increasing concern among poorer countries in Africa, the Caribbean and Asia. The possibility of the Soviet Union or its successor republics one day tapping the IMF for large-scale finance has only added to this disquiet.

IMF disbursements to eastern European countries increased to SDR1.96bn in the latest financial year from just SDR268m the previous year. The fund also made large-scale commitments totalling SDR3.6bn to Bulgaria, Czechoslovakia, Romania, Poland and Hungary in the last four months of its financial year.

Why the analysts came in to twist the knife

Lionel Barber assesses the significance of CIA testimony on how intelligence shapes policy

THIS was the week that the men and women of the Central Intelligence Agency came in from the cold. One by one, a succession of CIA analysts of Soviet affairs has appeared before the Senate Intelligence committee to describe how its views were distorted or suppressed by Mr Robert Gates, then the agency's top analyst and now the man President George Bush has chosen to be the next director of the CIA.

Some of the testimony has been explosive: Mr Gates has found himself accused of having twisted intelligence to implicate the KGB Soviet intelligence service in the attempted assassination of Pope John Paul II, and to exaggerate the Soviet threat during the 1980s in order to support the hard-line, anti-communist policies of the Reagan administration.

Yet Mr Gates has his supporters, several analysts having praised his independent analytical skills and his high working standards.

The upshot is that Mr Gates's confirmation as CIA director, which once seemed assured, has suffered a serious but by no means fatal blow as the Democratic majority on the committee takes a second look at his candidature. Much more serious is the impact on the CIA of testimony this week by the analysts.

Controversy about the CIA used to swirl around its covert operations, the so-called "dirty tricks" department whose activities, including involvement in assassination plots, were publicised during the Church committee hearings in the US Congress in the mid-1970s. The present intelligence committee under Senator David Boren, an Oklahoma Democrat, has now opened for public scrutiny – perhaps unwittingly – the little-known world of intelligence analysis.

This is important: most students of the CIA believe that the gathering and analysis of economic and military intelligence is the wave of the future.

Did they alter the facts to twist policy?: Robert Gates (left) and the late William Casey

Even Mr Gates, in earlier testimony, expressed disdain about the effectiveness of covert operations, with the exception of the secret arming of Afghan guerrillas and, possibly, Angolan rebels under Mr Jonas Savimbi.

The damage wrought this week lies largely in allegations that Mr Gates, both as deputy director of intelligence and deputy CIA director in 1984-89, skewed intelligence so as to bolster the aggressive anti-communist Reagan doctrine, as executed by the late Mr William Casey, then CIA director.

If it were thus, Mr Gates wilfully exaggerated the Soviet military threat and missed the significance of the decline of the Soviet economy. This one-eyed view of the world – it is said – finally led to the intelligence estimate on Iran in 1985, which inflated Soviet influence in order to justify the sales of arms to cultivate so-called moderates in Tehran. This policy in turn is seen as having served as the pseudo-rationale for the disastrous arms-for-hostages swaps and having led to the Iran-contra scandal.

Mr Gates's defenders counter these charges by pointing out that the CIA in the 1970s was no less guilty of missing significant historical trends. In the Ford administration, senior officials became so concerned that the CIA was caught up in the détente policies of the Nixon-Kissinger years that they failed to spot the increased Soviet military threat and the projection of Soviet power in the Third World. The balance was redressed only after competitive analysis, with a Team "B" of conservative-inclined outsiders prevailing.

After the Carter administration (1977-81), a similar backlash took place. Conservatives were determined to purge the agency of analysts considered too soft on the Soviet Union, and too blinkered to have forecast the fall of the Shah in Iran.

Weeks before President Reagan took office, a Republican party working paper on the CIA said that the agency "is compromised to an unprecedented extent and that its paralysis is attributable to causes more sinister than incompetence."

It was the atmosphere of intolerance which caused analysts such as Mr Melvin Goodman, a former division chief of Soviet affairs in the CIA, to become disillusioned. But it was also an atmosphere in which Mr Gates, the loyal staff officer, thrived; his deep suspicions of the Soviet Union were a constant going back to his native Kansas.

Mr Gates will have his chance to answer those critics – such as Mr Harold Ford, a 30-year agency veteran, who accused him this week of lacking integrity of judgment – when he goes before the committee again in the next week or so.

He may reflect that his confirmation hearings this week have served to focus on a far wider debate than his own personal elevation: whether, in Senator Daniel Patrick Moynihan's sweeping charge, the CIA has been repeatedly wrong for a quarter-century on the main political and economic questions trusted to its analysts.

This is an issue which has gained new currency since the revolution in Moscow, and it will have a deep influence on the CIA, its shape, its size and its $30bn annual budget, now the Cold War is over.

New impetus for Brazilan steel sell-off

THE troubled privatisation of the Brazilian steel group Usiminas moved closer to resolution yesterday after President Fernando Collor had issued a decree to back the use of foreign debt paper as instruments in the upcoming auction, reports Victoria Griffith in São Paulo.

The National Development Bank, in charge of the privatisation, was expected to announce last night another delay in the sale, moving the auction date from October 15 to November. The extra time would give Congress a chance to approve the decree within the required 30 days.

The decree is intended to block any further legal challenge to the sale.

Brazil was acutely embarrassed by the last-minute suspension of the Usiminas auction, set for September 24, amid legal challenges to it and during violent attacks on would-be buyers at the stock exchanges in Rio de Janeiro and São Paulo.

Usiminas is to be the first group sold under the country's privatisation programme.

Opponents of the auction fear job losses and charge that the price for the group has been set too low.

President Collor also threatened to move the auction from the Rio de Janeiro stock exchange to São Paulo. The president seemed upset by attempts by Governor Leonel Brizola of Rio de Janeiro state to block the auction.

Haitian divisions

DIVISIONS have emerged within Haiti's army, following Monday's coup which toppled civilian president Jean-Bertrand Aristide, writes Canute James.

Diplomats in Port-au-Prince said yesterday that junior officers had professed loyalty to Haiti's fledgling democracy.

Father Aristide was due to address late yesterday foreign ministers of the Organisation of American States, which was expected to discuss whether a multilateral force should intervene in Haiti.

Mexican record reserves

MEXICO'S foreign reserves rose to $16.27bn at the end of September, the highest in the country's history and $6bn more than at the end of 1990, writes Damian Fraser in Mexico City.

The latest rise partly derives from the $2bn international stock offering last May in Telmex, which was the government-owned telephone monopoly, but it also reflects continued inflows of foreign and repatriated capital to other Mexican stocks and bonds.

The latest increase in reserves should reassure investors of Mexico's ability to finance its current account deficit, which in the five months to May was just under $4bn.

Mr Miguel Mancera, Bank of Mexico director-general, said the central bank would continue to sterilise inflows of foreign capital so as to reduce money supply growth.

Mr Pedro Aspe, finance minister, also announced that the government has retired 20bn pesos ($6.7m) of internal debt.

WORLD TRADE NEWS

Eximbank offers oil and gas financing to Moscow

THE US Export-Import Bank is prepared to provide large-scale financing for Soviet oil and gas development but only if its new production is used as collateral for the loans or guarantees, the bank's chairman said yesterday.

Mr John Macomber, who last week met officials in the Soviet Union, said the Eximbank was likely to go ahead with the three sales, worth $78m (£44.8m), approved before the ill-fated coup but since frozen.

More important, however, is the outlook for Eximbank lending for project development, particularly in the key gas and oil sector where production has been plummeting. The old oil wells had problems which were "solvable" with the application of American technology, Mr Macomber said. Financing was also needed for new projects.

"We have zero exposure now," Mr Macomber said. "The other export credit agencies have between $22bn and $24bn; we think most of them have shut down."

He said he had discussed the need for collatoralised lending with Soviet officials even before the failed coup and it seemed to have been accepted. On his most recent trip he met the new president and deputy of the Russian oil and gas company who "indicated that they would be willing to discuss it but they wouldn't commit themselves."

Foreign interests will be allowed to bid in a series of auctions to privatise all Moscow's wholesale and retail facilities, according to a Moscow city official, writes Nancy Dunne.

Mr Victor Koval, chairman of the Moscow Committee for Trade, told American businessmen in Washington that the city began the auction of its shops and other retail outlets to Soviet concerns on September 25.

Other Eximbank dealings within the Soviet Union will depend partly on the fate of Vnesheconomibank, the Soviet foreign trade bank, which can no longer be certain of its resources. Mr Macomber talked almost nostalgically of the "V-Bank" and how it never missed a payment. Even now, its officers said they would not issue a guarantee they did not have resources to underwrite, he said.

The bank will also seek to have lending guaranteed both by the individual republics and the central government. This was the case of the three sales going forward, Mr Macomber said. "I got them all in a room together."

The chairman acknowledged that Eximbank, which completely exhausted its resources in fiscal 1991 financing an explosion in US manufactured exports, may well face a "budget crunch" in the next year. In that case, financing will be approved on a "first come first serve" basis.

Demand for loans to eastern Europe has been building. Applications for about $400m in lending to Poland and $300m for Czechoslavia are moving through the bank.

Lending to Latin America, particularly Mexico, has exceeded expectations.

Sydney airport plan to go ahead

By Kevin Brown in Sydney

AUSTRALIA's federal cabinet is expected to give the go-ahead shortly for a third runway at Sydney's overcrowded Kingsford Smith airport, ending a decade of delays forced by opposition.

Approval became almost certain yesterday after the report of a A$7m (£3.2m) environmental impact inquiry, which dismissed most of the objections raised by anti-runway groups.

The government has 42 days to consider the report before making a decision. However, it is unlikely to reverse a 1989 decision to build subject to the environmental study.

Senator Bob Collins, the aviation support minister, said the A$300m runway was crucial to Australia's economic future, and described the report as "comprehensive and conclusive". Other ministers, including Mr John Kerin, the federal Treasurer (finance minister), have said previously that the government should give permission for the runway quickly once the environmental study was published.

Cassette tape world sales decline

By Michael Skapinker

THE increasing popularity of the compact disc resulted in worldwide sales of cassette tapes falling last year for the first time since they were introduced in 1965.

Cassettes are still the most popular music format, with 1.45bn tapes sold last year, according to the International Federation of the Phonographic Industry (IFPI). This, however, represented a fall of 6 per cent on the previous year's sales. CD unit sales rose 28 per cent in 1990 to 770m worldwide. Vinyl continued to decline, with unit sales of long-playing records dropping 25 per cent to 339m.

The drop in cassette sales had been anticipated by companies such as Philips of the Netherlands and Sony of Japan which are competing to provide a more advanced recording technology.

Philips will next year introduce the digital compact cassette (DCC) which looks similar to a traditional cassette tape but provides sound quality similar to that of the CD. Consumers will have to buy new tape machines to play DCC tapes. They will also be able to play their old cassette tapes on the new machines.

The DCC format is supported by music companies such as PolyGram, a Philips subsidiary, EMI, Warner, MCA and BMG and electronics groups including Matsushita, Sharp and Sanyo.

Sony introduced the digital audio cassette (DAT) in 1986 but it has failed to take off as a consumer product. Sony now intends to introduce a miniature version of the CD which can also record music.

The IFPI said total worldwide music sales in 1990 were $24bn (£13.7bn), an 11.1 per cent increase over 1989. The most successful market for the record industry was the European Community, where sales rose 27 per cent to $8.4bn. Music sales in the US were $7.5bn, up 16 per cent. Japanese sales fell 6 per cent to $2.9bn last year.

US textile review angers Hong Kong

By Angus Foster in Hong Kong

HONG KONG'S textile manufacturers have reacted angrily to a review instigated by the National Knitwear and Sportswear Association of the US which singles out 29 Hong Kong companies for investigation under US anti-dumping orders.

The review also names 69 companies from South Korea and 25 from Taiwan and is part of a long-running case involving exports to the US of man-made fibre sweaters. Hong Kong manufacturers claim the association is using anti-dumping rules as a form of protectionism.

Hong Kong manufacturers already face a 5.86 per cent anti-dumping duty following an investigation last year, which Hong Kong claims was unfair. The colony has since referred the duty to the committee on anti-dumping practices under the General Agreement on Tariffs and Trade, and the two sides have until October 19 to solve their differences. If there is no conclusion, either side can call for a panel to be set up to investigate.

This latest trade dispute comes at a difficult time for Hong Kong, which is already sensitive to criticism that some Hong Kong companies acted as middle men exporting products made in Chinese prisons.

Hong Kong's denim manufacturers were also hit yesterday when Mexico announced it was imposing an anti-dumping duty of US$1 per kilo on Hong Kong exports.

The colony's trade department said it was surprised because 15 Hong Kong companies, accounting for more than half Hong Kong's denim exports to Mexico, were exempted from the order. Mexico found these companies were not engaged in dumping.

Gatt urges further trade reform by Nigeria

The country is advised to foster its comparative advantages, writes **William Dullforce**

NIGERIA'S recent attempts to reform its economy by removing government controls on trade, foreign exchange and investment are strongly commended by the secretariat of the General Agreement on Tariffs and Trade (Gatt) in its review of Nigerian trade policy released yesterday.

But, the secretariat adds, more thorough-going liberalisation is needed to foster Nigeria's comparative advantages in trade.

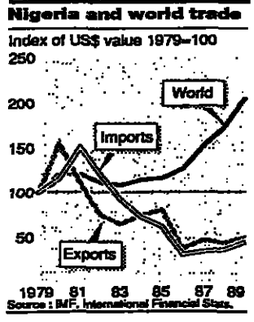
The government should also ensure that its trade measures are more stable and predictable.

Balanced trade growth in the biggest developing-country economy in sub-Saharan Africa – Nigeria has a population of over 100m – would have important positive effects on other African countries, the review comments.

Gatt agrees that the structural adjustment programme launched in 1986, which aimed principally at diversifying home production and reducing dependence on petroleum, has injected greater dynamism into the economy.

Nigeria and world trade

Index of US$ value 1979=100



Source: IMF, International Financial Stats.

Among many significant steps taken to streamline Nigeria's trade regime, the review names the deregulation of governmental price controls and the abolition of the commodity marketing boards and the state-trading National Supply Company.

Countertrade operations have been suspended and a number of public enterprises have been privatised. The import and export licensing system has been done away with and a more market-oriented exchange rate policy is being pursued.

Nevertheless, petroleum still accounts for more than 90 per cent of Nigerian exports and more than 70 per cent of government revenue. Foreign investment in sectors other than oil has been limited. The Gatt secretariat clearly thinks that the government could do better.

On the import side, the main instruments now in use are tariffs and prohibitions intended to promote farm and industrial production.

Import prohibitions covered about 29 per cent of farm products and 20 per cent of industrial goods at the beginning of 1989. Since then meat, chicken, fish and some other products have been added.

Gatt argues that, while the prohibitions may have stimulated home production in some protected sectors, they have not helped to improve the international competitiveness of these sectors.

They have raised domestic prices and created vested interests not only among the domestic producers but also in smuggling.

Prohibition in one sector can disrupt another.

An import ban on maize caused a shortage of feed for poultry with the result that poultry output has fallen.

Moreover, the import bans are harming the interests of many of Nigeria's trading partners, the secretariat says. It takes as examples exports of US wheat, Norwegian stockfish and many farm and textile products from neighbouring African countries.

Simple average tariff rates are currently 40 per cent for farm products and 36 per cent for industrial goods, but far higher rates are applied to sectors which the government wants to protect, such as steel products, some chemicals, batteries, transport equipment and footwear. Three current surcharges add up to a 7 per cent across-the-board levy on imports while customs duties incorporate landing charges equivalent to excise duties on domestic products.

Nigeria's failure to "bind" tariff rates under Gatt and the frequent modifications made in the rates seriously impair the predictability of its tariff regime, the Gatt report complains.

Recent increases of up to 100 per cent in tariffs on a number of steel products have virtually halted imports since the beginning of 1991.

Frequent amendments to decrees by the armed forces' ruling council also makes it difficult for businessmen to follow Nigeria's trade and investment policies.

A firmer commitment by the government to the multilateral trading system would help to mobilise international support for Nigeria's current efforts to achieve a stable and balanced economy, the Gatt secretariat advises.

Nippon Airways engine deal

By Emiko Terazono in Tokyo

ALL NIPPON Airways (ANA), the Japanese airline, announced yesterday that it had chosen Pratt & Whitney engines to power its new fleet of next generation Boeing 777 wide-body aircraft in a deal which could be worth Y95bn (£409m).

The ANA engine order to power 25 Boeing 777 twin-engine aircraft, ordered from Boeing at the end of last year, is one of the most prestigious in the aerospace industry. Pratt & Whitney faced stiff competition from both Rolls-Royce and General Electric.

The deal, which significantly strengthens Pratt & Whitney's position as an engine supplier for the Boeing 777, is a setback for GE which is developing a new technology engine, the GE-90, specifically for the Boeing 777.

Although Rolls-Royce was widely regarded as least likely to win the deal, it is a further blow to its position after it recently lost out to GE in a deal to supply British Airways with engines for its Boeing 777 fleet. The three main engine makers are competing fiercely to establish their positions to supply engines for the Boeing 777, which will be delivered to the main airlines in 1995.

ANA chose Pratt & Whitney's PW4073A engines above Rolls-Royce's Trent 871 and the GE90 because of Pratt & Whitney's record as a supplier and its standard of maintenance.

■ Mr Bob Crandall, the outspoken head of American Airlines, has downplayed the possibility of any early order for the Boeing 777s from his company. Talking to reporters in Seattle, as he inaugurated American's new Seattle-Tokyo route, Mr Crandall again expressed pessimism about the commercial aviation market and suggested that the new Boeing aircraft was too large to fulfill American's needs.

Johnson Matthey venture in Japan

JOHNSON MATTHEY of the UK, the world's largest platinum marketing group, is to set up a development and manufacturing facility north of Tokyo to produce automotive catalysts and fuel cell catalyst products for Japanese customers, writes Kenneth Gooding, Mining Correspondent. The facility, which is under construction, will also make electronic materials for the semiconductor and micro-electronic industries.

The start-up cash, Y2,141m (£9.2m), will come from the sale of JM's half share in Tanaka Matthey KK to its joint venture partner, Tanaka Kikinzoku. The break is far from final as TK will continue to act as JM's exclusive distributor in Japan for platinum from Rustenburg Platinum Mines of South Africa and Tanaka Matthey will continue to sell products of the joint venture, in particular thick film pastes to the electronics industry.

Winter's tale haunts Major's decision to seek election in 1992

The prime minister wanted a November poll to establish himself in power: now he and the country must wait. **Philip Stephens** reports

HE HAS made up his mind. Now he must cross his fingers. The awkwardness with which prime minister John Major closed option of a November general election was ample testimony to how daunting a decision it was.

Now his future rests with the fluctuations of half a dozen economic indicators; with his capacity to strike a deal in Europe and to neutralise the poll tax; with the voters' judgment on whether his personal appeal outweighs his predecessor's sins.

Most unnerving of all, it may well rest with an event, good or bad, an accident of history, that nobody can predict. Memories of 1979's winter of discontent, plagued by strikes and unrest, which drove Mr James Callaghan from Dowing Street are still fresh in the mind of a politician first elected that very year.

Looking to the future, or worried about the past? John Major is running out of election options. *Picture Alan Harper*

Mr Major would have liked to have gone to the country next month. For a brief two weeks at the beginning of September it looked as if his confident performances on the world stage just might provide the opportunity.

His impatience to secure a personal mandate and his anxiety not to be locked into a timetable over which he has now only minimal control made him more reluctant than many of his colleagues to rule out November. He was conscious of the severe damage to party morale that may be inflicted by defeats in two impending parliamentary by-elections.

But no prime minister could choose to face the electorate when the standing of his party at best matched the opposition Labour party's.

What he needs now is economic recovery. During the next seven months or so – he could wait until July, but it will be difficult to go beyond the May 7 local government elections – the voters have to be persuaded that the pain was worth it. The Conservatives have to deliver the "feel-good factor".

There are some encouraging signs. Within the next month, retail price inflation should be below 4 per cent. That should provide the scope for further reductions in interest rates. Most at Westminster expect rates to be below 10 per cent before the election.

The Treasury is confident that the economic recovery is now materialising. Higher consumer spending, upward revisions in investment statistics and a strong export performance have reinforced its forecast of 2 per cent growth in the first half of next year.

Estimates suggest that the fall in mortgage rates during the past year has put about £100 a month in the pockets of the average couple with a new mortgage. More evidence of recovery should persuade them to spend it rather than save it.

Hundreds of thousands more will feel the benefit of lower mortgage charges when the building societies implement annual rate changes in January. All in all, one aide commented yesterday: "People should have a good Christmas."

The Tories hope that confidence can be boosted further by a popular budget in the spring. There may not be massive tax cuts, but there are plenty of things a chancellor can do to win votes. The warning will be that Labour would ruin it.

Delay will also give Mr Major time to reinforce the subliminal message that his predecessor Mrs Margaret Thatcher and Mr Nigel Lawson, the former chancellor of the exchequer, should be blamed for the poll tax and the recession. Mr Major is an innocent, promising a different future. Mrs Thatcher introduced the poll tax. His legislation over the winter will abolish it.

The opinion polls suggest that the more the voters see of the prime minister, the more they warm to him. "They get what they see and they like it," is the comment of one in the inner circle, adding: "They will be seeing a lot more."

Mr Major's trips to the Commonwealth conference in Harare next month, to the *European summit* in Maastricht in December, to Japan, and perhaps, the Soviet Union, next year will provide the backdrops. Mr Major the statesman will be contrasted with Mr Neil Kinnock, the stranded socialist.

Then there are the uncertainties. The Treasury is forecasting economic recovery, but not promising a boom. The recovery may be strongly felt only in the second half of 1992. Still-rising unemployment and a sharp slowdown in the pace of wage rises will limit the pace of growth in real disposable income – the money in voters' pockets.

The housing market – in the past the motor of resurgent consumer confidence – looks at best stable. As long as people see the value of their most important asset under threat they may continue to save rather than spend.

Psephologists point out that past history suggests the Conservatives could expect a recovery of about 4 points in their standing before the election – just enough to give them victory.

Past history did not include the poll tax; nor a negotiation over Europe that might yet provoke a former prime minister to disown her successor.

A tight Treasury financial settlement for local authorities promises either another sharp increase in the bills due next year or cuts in the public services Mr Major has promised to improve. The compromise over a single currency that Mr Major looks ready to accept at Maastricht is abhorrent to his predecessor.

Then there is the health service. In the most powerful section of Mr Neil Kinnock's speech to the Labour party conference this week he signalled that the government's reforms – "privatisation" – would be at the heart of his campaign. Like the poll tax, the NHS needs more money. But the public spending round is the most difficult since the early 1980s. Too much for health or education may unnerve the financial markets and forestall interest rates cuts. Too little may give Labour ammunition it needs.

In Brighton yesterday, where the opposition is holding its annual conference, Labour looked like an opposition that wanted to win. In the months to come Mr Major will be biting the nails of those crossed fingers.

BRITAIN IN BRIEF

London 'to remain city of finance'

London will maintain its role as Europe's leading financial centre even if Britain fails to be among the leaders in efforts to set up European economic and monetary union, according to Mr Eddie George, deputy governor of the Bank of England.

Speaking at a conference in London organised by the Association for the Monetary Union of Europe, Mr George said the final stages to completing the European Community's single market programme in financial services were more important than Emu as an issue influencing the City's role.

The economic prosperity of Europe and that of London as a financial centre was directly linked to open markets in areas such as investment services, insurance and pension fund management.

Mr George said there was "a long way to go" before agreement on the framework for a full union could be reached - broad details are expected to be finalised by the end of the year by individual European Community nations.

Overseas buyers in marketing

Overseas buyers have taken over 40 per cent of the UK's top marketing services groups because of the recession, according to a survey by accountants Willott Kingston Smith.

The accountants said overseas buyers have saved both good and bad companies. The firm reports that in spite of recession the profits of the sector grew 26 per cent in the period covered by recent accounts.

Court to decide Church policy

The High Court will next week be asked to decide whether the Church Commissioners should give greater emphasis to ethical considerations in their £3bn investment policy.

An action by the Bishop of Oxford, the Rt Rev Richard Harries, will seek to establish that the commissioners have a duty to take account of the Church of England's ethical teaching when making investment decisions.

The commissioners are responsible for handling the church's main funds from which clergy stipends, pensions, and other expenses are met. They say the primary aim of their management of assets must be to produce the best financial return.

Reserves rise

Britain's gold and currency reserves rose an underlying $10m in September, the Treasury said. After taking into account $100m allied contributions to the cost of the Gulf war, the net change in the underlying position was a fall of $90m.

Toyota pays more for site

Toyota, the Japanese carmaker, has paid Derbyshire County Council a further £4.2m for the 580 acres site, on which it is building a new plant, at Burnaston.

The European Commission had ruled that the sum originally paid for the land, £18.3m, was beneath the market value. This view was contested by both the UK government and the County Council: they denied offering Toyota a subsidy through a cheap land deal.

New agency for environment

The government is to launch a new environmental protection agency which will combine the roles of existing pollution inspectorate (HMIP) and the National Rivers Authority.

"It will protect the environment in the broadest sense; land, sea and air," according to Mr David Slater, head of HMIP.

The inspectorate has been criticised in the past for not having enough staff to do the task it has been set. Mr Slater said the number of inspectors on staff was rising from a current 257 to 313 by the end of the year and a final figure of around 400.

Labour supply tightens

The supply of young people in the labour market in Britain over the next few years is likely to be even tighter than has previously been assumed, according to figures published (WED) by the Department of Employment. In 1993-94, 387,000 school leavers will be available to enter the labour market, more than 41 per cent less than the 658,000 who were available to the labour force in 1982-83, according to the calculations.

Damages for disaster seaman

A seaman who suffered psychiatric illness from his work during the salvage operation of the *Herald of Free Enterprise*, the British ferry which sank off the Belgian coast in 1987, has been awarded damages.

Mr Trevor Rapley, an electrical officer, worked in Zeebrugge after the ferry capsized outside the port. He assisted bereaved relatives of the 192 victims and also identified colleagues who lost their lives in the tragedy.

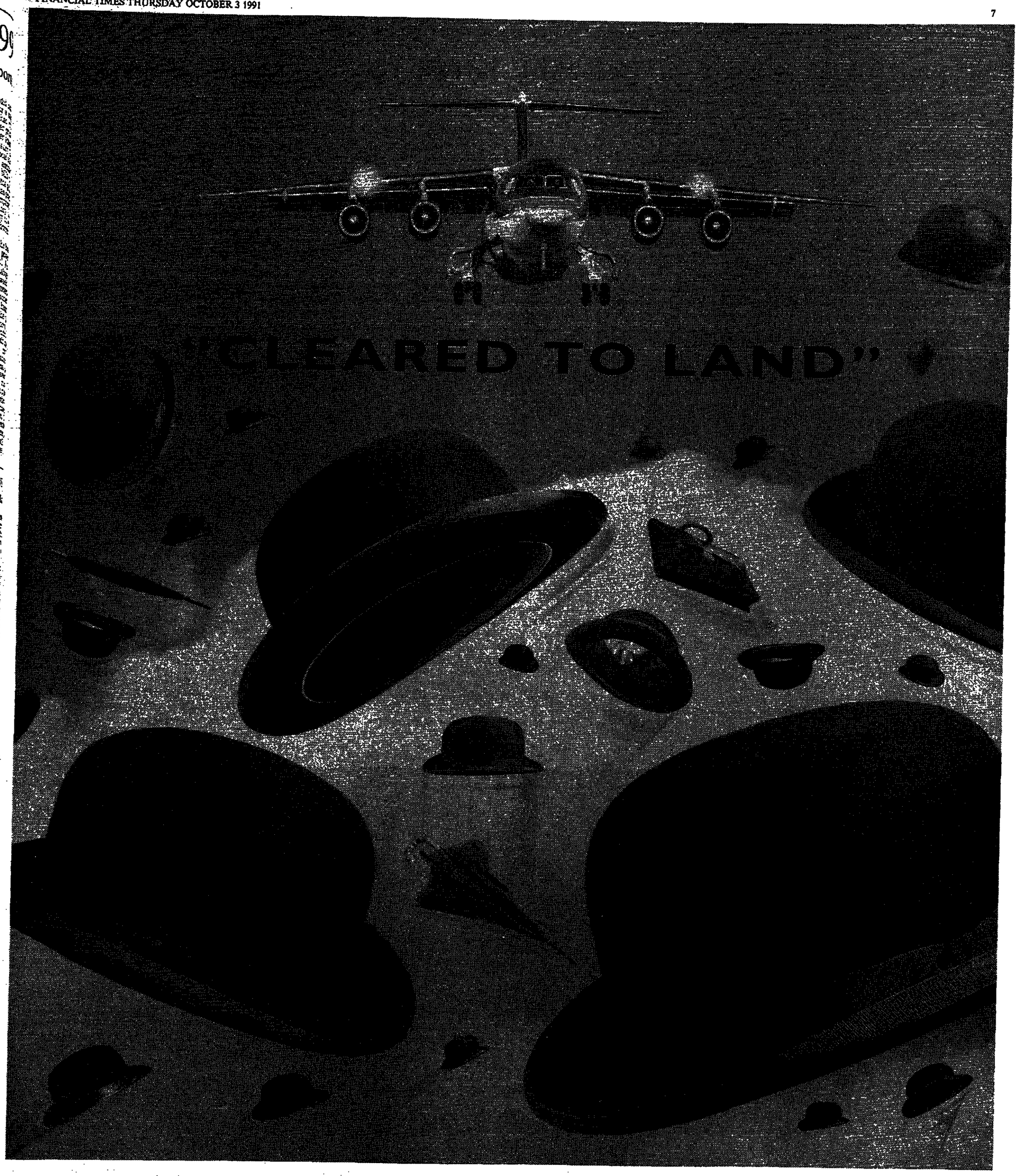
Later he suffered nervous shock and anxiety as a result of his experiences. In September 1988 he was declared unfit for service at sea and had to leave his employment. Damages were awarded against P&O European Ferries which denied liability.

Leonard Sainer

Mr Leonard Sainer, one of Britain's leading corporate lawyers in the post-war period, died on Munday aged 81.

A founder partner of the law firm Titmuss, Sainer, and Webb, Sainer made his reputation in the property market, specialising in the profitable realisation of undervalued property through sale and leaseback to generate cash to help businesses expand.

Sainer was appointed to the board of Sears in the 1950s and masterminded a series of acquisitions which built the company up into one of the leading UK retailers. Much later, in 1978 he became its chairman.



It's time for London to celebrate! London City Airport has been given permission to open its runway to the British Aerospace 146 "Whisper jet". The only jet in the world with the performance and good-neighbour qualities to qualify for such a prestige operation.

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It will be a new, fast, way to Europe easily outstripping the other options available to the traveller to or from the City of London. And the 146 will open up most of Europe to the City, from Scandinavia to the Mediterranean, Italy and Spain.

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THE ONLY JET FOR LONDON CITY AIRPORT.

Congress to probe Lloyd's agents in US

By Richard Lapper

A US congressional committee is conducting a preliminary investigation into the activities of Lloyd's of London in North America.

The inquiries will be conducted by the Permanent Sub-Committee Investigations of the Senate which has a broad mandate but usually focuses on allegations of fraud.

The committee is likely to focus its inquiries on the activities of Lloyd's agents in the US who have recruited American backers to the market.

A number of American Names – individuals whose wealth backs the Lloyd's market – claim they were not made aware of the potential risks of Lloyd's membership.

During its last year of account Lloyd's posted its first losses for more than 20 years triggering a movement for reform in the way business is conducted. News that Lloyd's is now under investigation in the US will further undermine its reputation.

The US is a key market for Lloyd's, generating more than 25 per cent of the market's income and more than 10 per cent of its capital.

Staff members of the committee led by their chief investigator, Mr David Buckley, began to look into Lloyd's last month. They will collect information on Lloyd's for at least another two months before deciding whether to recommend a full investigation.

"We're trying to understand whether there has been any fraud or other abuse which we need to take a closer look at. It would be premature to say that we are actually investigating Lloyd's," said Mr Buckley, who was keen to stress the preliminary character of the committee's interest.

Several dozen US Names – are suing Lloyd's on the grounds that it has breached US securities laws. Two Names – Mr Kenneth Bonny and Mrs Francesca Bonny won a provisional judgment against Lloyd's from a Chicago court last week.

The Securities and Exchange Commission has been conducting its own low level examination – to see whether Lloyd's has breached US securities laws – since the summer.

Clearing banks pressed to encourage innovation

By Alison Smith

MR PETER LILLEY, the trade and industry secretary, is to hold talks with the clearing banks about how they can do more to help innovation in industry.

Mr Lilley welcomed efforts being made by some banks to support investment in innovation, but said more banks should be getting involved in such programmes. He is expected to write to the clearing banks shortly, seeking an early meeting.

As a starting point, banks are likely to be asked what, if any, specific provision they have made – for example by setting up special units – to help firms wishing to invest in new processes and products.

Mr Lilley told an audience of finance directors and chairmen from some of Britain's top companies that on recent visits around the UK many industrialists had told him the banks were acting as a brake on plans to innovate.

"Equity finance is not the best – or the complete – solution to the capital shortage of all businesses: many of them rely heavily on bank lending, and there is a widely held view that banks are not always supportive of innovative activity," he said. The speech represents part of a continuing effort by Mr Lilley to change the cultural bias against innovation.

IMF says economy to grow 2.3%

By Rachel Johnson

THE UK economy will grow by a relatively-robust 2.3 per cent after a drop of 1.7 per cent this year, according to the International Monetary Fund's (IMF) latest projections for the world economy.

The IMF displays a much greater optimism about the level of economic activity and the chances for a speedy recovery out of the year-long recession than most economists. The consensus of 28 non-City and City economists, compiled by the Financial Times in September, was for growth of 1.7 per cent next year.

Its projection is likely to influence Treasury officials preparing the next annual set of government forecasts and spending plans in November. The Treasury welcomed the IMF estimates, and said that they painted a "similar" picture of UK prospects.

In its draft copy of the semi-annual World Economic Outlook the UK features on a list of countries which will see rapid growth next year after sluggish – or contracting – economic activity in 1991.

But other Anglo-Saxon countries, predicted to lead a moderate world recovery in 1992 after the lowest growth rate in 10 years, will outstrip the UK. The US is expected to grow by 3 per cent after contracting by 0.2 per cent this year; and Canada should bounce back with a 3.7 per cent growth rate after shrinking by 1.1 per cent this year.

Of the European economies, the IMF sees faster growth rates in France – 2.4 per cent after 1.3 per cent in 1991 – and Italy – 2.5 per cent after 1.3 per cent.

As the world recovery gets underway – with an inflation-adjusted growth rate of 2.9 per cent in 1992, after 0.9 per cent this year and 2.2 per cent in 1990 – inflationary pressures will continue to recede in industrialised countries.

The IMF, however, warns governments to be on their guard against a resurgence of inflationary pressures as economic activity becomes more vigorous. The estimates – subject to revision – will form the basis for discussion at the annual joint World Bank/IMF meeting in Bangkok this month.

Leadership likely to ignore demand for defence cuts

By Ivo Dawnay, Political Correspondent

MR NEIL Kinnock, the opposition leader, is set to brush aside a vote by the Labour conference today that looks certain to repeat long-standing demands that Britain reduce its defence spending to the average level of other western European countries.

Officials confirmed last night that the party leader considered the position "irrelevant and outdated" and would refuse to be bound by the conference decision.

"The Labour government will decide how much defence spending will be cut, and when," an aide said. "Neil will not be bound by arbitrary and meaningless targets."

But in an article in today's New Statesman, Mr Martin O'Neill, Labour's defence spokesman, insists that the party remains committed to an "immediate reassessment" of defence needs and an early review defence roles within Nato.

The anticipated row over defence will come as the only significant public upset in an otherwise unprecedentedly smooth conference week, notable chiefly for the muted nature of conference debate and the tumultuous reception for the leader's speech on Tuesday.

Yesterday, the only potential issue to inspire controversy centred on Labour's stance on electoral reform. Early in the day, Mr Roy Hattersley, home affairs spokesman, restated his strong opposition to any change in the voting system for the House of Commons.

He argued that any new mechanism would force parties to negotiate compromises on their manifestos with a proliferation of small parties.

After a request from the leadership, opponents of change to the current first past the post system agreed to postpone their motion to await the outcome of an internal party report on the subject.

Today's defence debate will prove a tougher test for the leadership. It is widely believed that the conference will follow the trend of the last two years and vote for a motion demanding a speedy reduction in Britain's arms spending.

Labour to follow French line on transport

By Ralph Atkins and Richard Tomkins

OPPOSITION Labour Party plans for mobilising private investment in public transport – starting with the Channel tunnel rail link but potentially extending to other British rail programmes and beyond – were set out yesterday by Mr John Prescott, party transport spokesman.

Mr Neil Kinnock, the Labour leader, has backed proposed changes to Treasury rules to allow British Rail to borrow privately without increasing the public sector borrowing requirement.

The schemes could be extended to include investment in London Underground, London Buses, light rail and British airports, Mr Prescott argued.

Mr Kinnock had "promised a new financial framework involving private capital and leasing arrangements to meet the essential investment which is so desperately needed and which is common in Europe," according to Mr Prescott.

He promised that transport policy under a Labour government would be weighted towards public transport – and to making the trains run on time. He added that there would be greater emphasis on safety.

Speaking afterwards, Mr Prescott said Labour had "no ideological hang-up about using private money". An immediate priority would be the £3bn Channel tunnel rail link – for which the government appear to have ruled out private involvement. He is working with City banks and accountants to draw-up possible deals for leasing assets or issuing bonds.

Mr Prescott's plans reflect a sharp contrast between the methods of financing railway investment in Britain and France.

Ashley Ashwood

Conference highlight: John Prescott sets out a European vision of UK transport policy

The French government, faced with the FFr210bn (£21bn) cost of doubling the country's *Train a Grande Vitesse* (TGV) network to 4,700km over the next 20 years, has given the French national railway (SNCF) freedom to raise funds in ways unheard of in the UK.

None of SNCF's investment is funded by central government. Instead, cash is raised in the form of bonds or loans on the domestic and international capital markets. The railway is also financing the purchase of TGV trains through innovative sale and leaseback deals arranged through financial institutions such as Citibank's Paris office.

British Rail, by contrast, is dependent on the government for any monies other than those generated internally. Borrowings come only from the Exchequer, and innovative funding arrangements such as sale and leaseback deals are ruled out.

The Treasury's explanation for its stance is that, because Exchequer loans are cheaper than any available in the private sector, it would be wrong to allow BR to borrow from any source other than the National Loans Fund.

Since BR is part of the state and its funds are provided by the state, the Treasury goes on to argue that its borrowings are indistinguishable from other components of the public sector borrowing requirement and must therefore come under government control.

Theoretically, BR is free to raise risk capital for specific projects – such as the planned high-speed line between London and the Channel tunnel – if it can find the money more cheaply in the private sector. But it is almost inconceivable that genuine risk capital would come more cheaply than government funds.

Underlying the Treasury's prurient stance is the Conservatives' determination over the last 12 years to bring public expenditure under control.

As each plug-hole has been closed, so another has tended to open up – as with imaginative local authority schemes in the early 1980s which sought to circumvent spending curbs with sale and leaseback deals for items ranging from parking meters to town halls.

The Treasury has consequently learned to be suspicious of innovative financing deals which dress up borrowing up under another name.

"As far as we are concerned," an official said yesterday, "sale and leaseback arrangements are just using your assets to back further borrowing. It's all just borrowing, under another name."

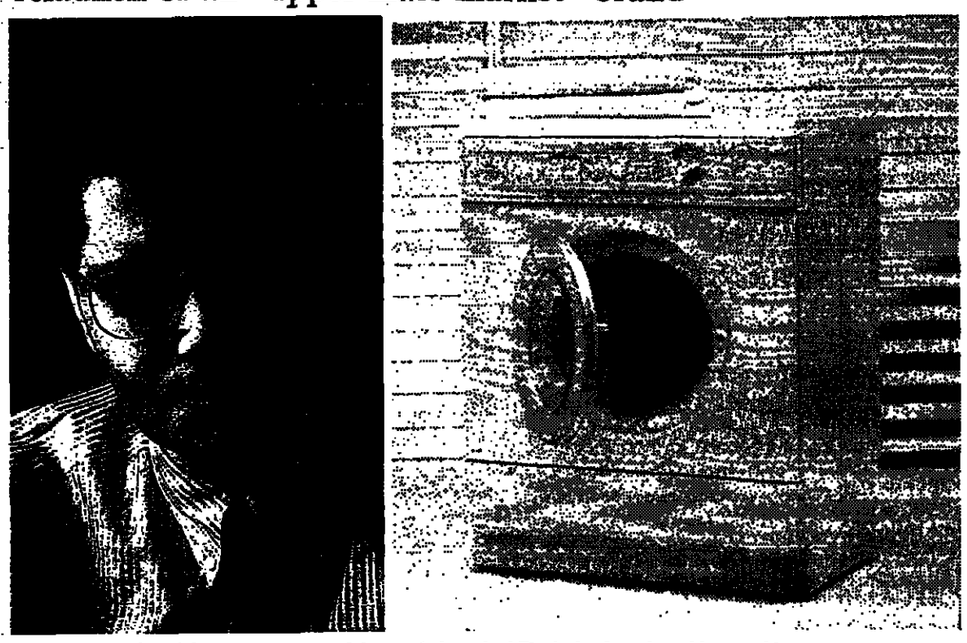
At the end of the day, the Treasury argues, clear rules and tight constraints on public spending are essential for the credibility of the government's fiscal policy.

And if the French do it differently? "Well, that's a matter for the French," the Treasury said.

White goods

A clean sweep through Europe for Electrolux

Andrew Baxter reports on the Swedish multinational's relaunch of an 'upper mass-market' brand



Alpha concept: Leif Johansson and one of the newly-launched Electrolux-brand washing machines

White box syndrome might sound like the latest thing in designer diseases, but for manufacturers of washing machines, dishwashers and refrigerators, it is an illness that for many years has failed to respond to treatment.

Marketing "white goods" in an increasingly competitive and global industry has usually failed to overcome the inherently unexciting nature of white boxes that wash clothes or clean dishes. No matter how sophisticated the machine, it is hard for manufacturers to grab the attention of retailers and customers if their white boxes look the same as everyone else's.

For the leading, mass-market manufacturers, there is another problem. Despite the fact that washing machines do the same job all over the world, finding a common approach to marketing and advertising across borders has hitherto been seen as impractical or too costly because of different national characteristics and preferences.

Last week, Electrolux, the world's largest white goods manufacturer, launched an initiative that attempts to address these challenges and do something else besides. The Swedish multinational is relaunching its Electrolux range across Europe as an "upper mass-market" brand – and what it calls the first pan-European white goods brand.

Amid considerable ballyhoo across Europe, Electrolux unveiled its $100m Alpha masterplan for the 1990s, involving a new design philosophy which it hopes will overcome the white box syndrome and ensure that Electrolux-branded products stand out from the crowd.

An integral part of the programme is a new product range with features such as automatic soap dispensers and even the older products will get the new "aesthetics". The project is backed up by common European-wide advertising and promotion.

The aim is to turn Electrolux into one of the handful of powerful pan-European white goods brands that the company and industry observers expect to flourish in the single market. As such, the initiative is the next stage in the development of the Swedish company's "two-plus-two" brand policy for Europe.

Leif Johansson, Electrolux president, says this involves two local or regional brands in each major market – Tricity and Bendix in the UK – to exploit strong, and lasting, national preferences and loyalties. The other two brands – Electrolux and Zanussi – are pan-European and Johansson indicated there would be a similar new product launch for Zanussi "further down the road".

The approach differs from that envisaged by Whirlpool, the US company which owns the Philips white goods business. Where Whirlpool sees the need for fewer concessions to national prejudices, Johansson believes the Electrolux "dualistic" approach matches the realities of the market and even questions whether national differences will ever be erased.

But even for a company with the resources and pan-European experience of Electrolux, implementing the Alpha concept is a formidable challenge. The company admits that the second most difficult job in the world is to launch a brand, while the most difficult is to relaunch an existing one.

There are many outside the white goods industry with bitter experience of that. But the Swedish group is compounding its task by taking its Electrolux brand up-market. "The theory says it is just as easy to take a brand up-market as down-market, but reality says it is more difficult," says Roger Baxter, chief executive of Electrolux UK. "The key point is having the right products."

The starting point for moving the Electrolux brand up-market is a solid, but unexciting, reputation for product quality. However, research showed that the association with reliability was latent. It needed to be activated to change Electrolux from a forgotten brand to a "top-of-mind" brand.

Hence, says Sergio Pusca, head of European marketing, the need for eye-catching advertising, the new design and the heavy investment in last week's presentation.

Advertising will begin with an agenda-setting campaign outlining the brand message without even showing an appliance, and leaving the product-specific advertising for a second stage. In the UK, where advertising begins next spring, the end line, "Don't worry, it's Electrolux," emphasises the message from the consumer research.

The new design, expected to appeal to more affluent, middle-aged European consumers, and the new products themselves, may well be crucial to the company's plan to establish the Electrolux brand as the first "upper mass-market brand".

To the layman, though, the description looks like a contradiction in terms. Would the 26m Europeans aged 45 to 55 that Electrolux has identified as the target market for the relaunched brand not prefer to spend their disposable income on top of the range niche appliances such as AEG or Miele?

Electrolux believes not. It claims, instead, that there is a gap in the European market beneath this luxury niche, which it can exploit through combining high quality with plenty of new features that would not be found on mid-market appliances.

The company also says the repositioned Electrolux brand is precisely the type of product that is suited to a pan-European marketing approach. "There is a growing segment of the population willing to react to pan-European advertising," says Johansson.

But the gap which the relaunched brand is trying to plug varies from one national market to another, just as the visibility and impact of the current Electrolux brand image differs widely. This is where very careful co-ordination between central and local participation in the Alpha plan will be necessary if the opportunity identified by Electrolux is to be more than a marketing man's pipedream.

In the UK, the brand is already well on the way to justifying the upper mass-market tag, claims Baxter, but the image derives principally from its strong position in the "floorcare" – vacuum cleaner – market. The Alpha launch will be the springboard for an assault on the white goods market in the UK, which will take about 30 per cent of promotional spending associated with the entire initiative.

The position is different elsewhere, with a dominant position in markets such as Sweden and Switzerland contrasting with a much weaker presence in Germany. In other countries, says Pusca, a weak market share might be balanced by a strong image.

Consequently, each market will have a different portfolio of products launched or remodelled under the Alpha umbrella, and no country will have the entire range. The UK, in line with the drive to boost white goods sales, will get 18 new products in the relaunch.

Despite the challenges represented by Alpha, Electrolux is in many ways better placed than many in and beyond the white goods industry to make a pan-European brands initiative work. It has been preparing for Alpha for a decade, first through its pan-European acquisition strategy, then through its restructuring of manufacturing and products on a European basis, and marketing is now a logical conclusion to the process.

It is also leaving nothing to chance. An often-neglected part of such initiatives is promotion within the retailing trade, and the new design, along with a package of trade incentives, is aimed as much at getting the range prominently displayed in stores as reaching the end-user.

Finally, there is a clear, if long-term, financial incentive for Electrolux to make Alpha work. Because of recession, business conditions virtually worldwide are difficult for white goods manufacturers, and the company remains cautious about the economic outlook.

In such conditions, says Johansson, innovation puts "fire and life" into the company's market. It could certainly do with some – half-year profits, although better than expected, were still down 9 per cent at SKr917m ($86m).

Later, the increased market shares which Electrolux hopes to win with the relaunched brand, and the "richer product mix" could increase margins and aid the company's plan to give profitability a higher profile than expansion.

Trawling pools for new punters

By Richard Lapper

Each week one in three British adults is tempted by the prospects of winning a fortune to bet on the results of football matches, generating profits of around £6m for Vernons which, after Littlewoods, is the second biggest UK pools company.

With the pools market now saturated, Vernons is planning to branch out. Later this year, it will be aiming to sell insurance to the 2.5m pools punters whose names it holds on its data base.

Vernons has reached agreement with three companies – Eagle Star, Sun Life and Private Patients Plan – to market a select group of simple products to its predominantly down market customer base.

"Financial services struck us as a boom area in the last five years or so," explains Malcolm Hughes, managing director of the Vernons Organisation, outlining the background to what, on the face of it, seems a surprising departure. However, research commissioned by Vernons and conducted by Audience Selection showed the sector to be under-insured.

"We are operating in a sector of the market – the C1s, C2s and Ds – where we found that people are often intimidated by jargon and do not understand what they are buying; we found that the idea of Vernons acting as an honest broker could be credible to our customers," says Hughes. So Vernons says it will offer simple and easy to understand products plus access to a telephone help-line.

The scheme will be launched this month with a branded motor insurance plan – underwritten by Eagle Star Direct, the direct telesales arm of Eagle Star. It will be based around four straightforward insurance products.

Next year Vernons will market a low cost "no whistles and bells" medical insurance plan underwritten by Private Patients Plan and life insurance products underwritten by Sun Life. Future expansion could take Vernons into the savings and pensions market although no firm decisions have yet been made.

Vernons will market by direct mail and earn a standard commission on each policy it brokes. In its pools business the company switched to a direct marketing approach in the mid-1980s, supplementing the tried and tested methods of door-to-door collection.

Its main rival, Littlewoods, which controls 77 per cent of the pools market, still uses its network of collectors – part-time salesmen and women – to sell the vast majority of its coupons. Vernons now sells 40 per cent of its coupons by direct mail.

Vernons' main assets – enormous brand loyalty and its data base and systems – mean that it is well placed to move into insurance. The group has made considerable investments in data collection and processing systems and telesales technology – it sends out up to 100m mail-shots a year and an additional 60,000-70,000 renewal notices each week. Renewal rates are around 80 per cent. "The remarkable thing about the UK pools industry is that it is so institutionalised that brand loyalty is incredibly strong," Hughes adds. When Vernons mails to "lapsed" clients, it finds 10 per cent respond positively.

Vernons now believes that this brand loyalty can be deployed to build up the insurance side of the business. Hughes says he was persuaded by the market research which showed that more than half the respondents said they did not like shopping around for insurance and that 55 per cent "hated" the activity.

Football pools will remain Vernons' dominant business but Hughes hopes that within two years the insurance distribution business can generate attractive incremental profits. Although the financial services business will remain a separate subsidiary, there are some synergies.

The most obvious is the way that the insurance distribution will allow Vernons to make more intensive use of its investment in systems. Looking to the future, the group is examining the possibility of direct telephone sales for pools and has been watching with interest the growth of telephone sales of insurance.

Clive Cookson examines the work of the Wellcome Trust, the world's wealthiest charitable foundation

Medical research is given first aid

When Peter Williams became director of the Wellcome Trust in 1965 it was a rather obscure UK charity spending £1m a year to support medical research. He retires this week, handing on plans to spend more than £100m for the coming year.

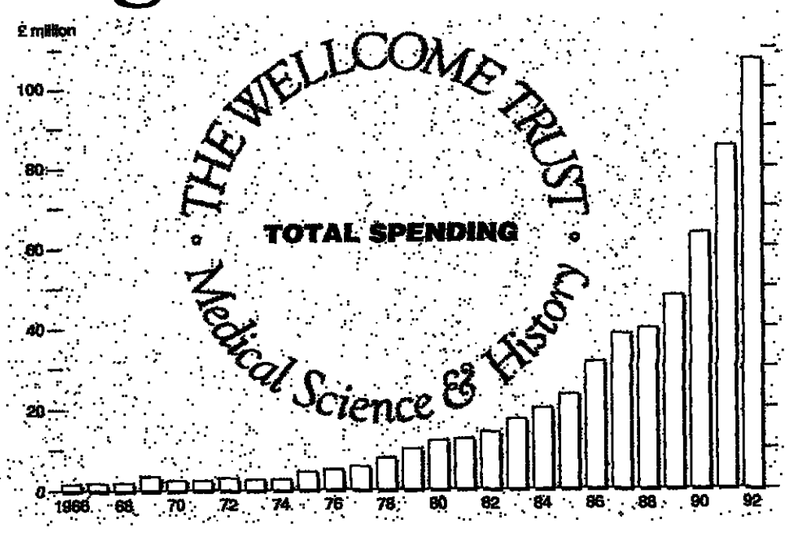
The trust is now the world's wealthiest charitable foundation – with an asset base worth about £5bn – and its support for UK biomedical research has reached half the level of the government's Medical Research Council (MRC).

Yet the Wellcome Trust is still relatively unknown outside UK medical and scientific circles. And even the researchers who apply to the trust for funds confuse it with Wellcome plc, the pharmaceutical company which is its main source of income.

The trust is, however, likely to receive closer public attention over the next year or so.

- The Wellcome Building on London's Euston Road will reopen in 1992 after a multimillion pound refurbishment. It will contain not only the trust's headquarters but also a new Centre for Medical Science and History, including a public exhibition on modern medical research called Science for Life. (The star exhibit will be an animated walk-in model of a living cell magnified a million times.)
- The trust plans to set up a publicity and public relations office for the first time. It has done without one until now, on the grounds that it is not a fund-raising charity and therefore does not need publicity to attract donations.
- The new director, Bridget Ogilvie, is a forthright parasitologist, born and educated in Australia. She has strong views on the inadequacies of medical research in the UK – and may be more willing than her predecessor to express them in public.
- As the owner of 74.5 per cent of Wellcome plc, the trust must agree to any move by the drug company to merge or seek a strategic alliance with another pharmaceutical group. The company is believed to have taken part in such discussions, though no move is imminent.

Until 1986 the trust was the sole owner of the drug company, then known confusingly as the Wellcome Foundation. The founder Sir Henry Wellcome (1853-1936) had specified in his will that the trust should maintain 100 per cent ownership unless divestiture was unavoidable.



But the trustees persuaded the Charity Commissioners that they needed to sell some shares to diversify their investments, in case the company ran into trouble.

The trustees sold 21 per cent of their Wellcome shares when the company was floated on the Stock Exchange in 1986 and they have sold a further 4.5 per cent since then. They could cut the holding to 50 per cent (plus one share) without further approval from the Charity Commissioners, but they would have to obtain both the commissioners' agreement and a court order varying Sir Henry's will if they wanted to give up majority control of the company. That might be possible if the trustees argued that it was unavoidable for Wellcome to merge with another company in order to protect its position in the highly competitive global pharmaceutical industry of the 1990s.

Even today, the prosperity of the trust depends overwhelmingly on the drug company. Its Wellcome shares have a market value of £4.7bn while all its other investments are worth a total of £300m.

The indirect effect of Wellcome's commercial success over the past decade – based above all on the anti-viral drugs Zovirax (against herpes) and Retrovir (against Aids) – has therefore been to cushion UK medical research against cuts in the state-funded MRC.

However, the trust and the company operate quite independently of each another. They have separate boards – none of the seven trustees is a director of the company – and the trust's research programme is not linked to the commercial interests of the company. "By law, as a charity we cannot fund something that we think is going to make money," Ogilvie says.

Wellcome plc, like other pharmaceutical companies, sponsors academic research on a substantial scale. Today, for example, the company will announce a £1.8m collaboration with the Institute of Cancer Research, to help find the causes of breast cancer.

"The trust does not fund research on the basis that it will be exploited directly by the company," says Trevor Jones, Wellcome's research director. "The span of research conducted by the trust in no way inhibits Wellcome's involvement with academic groups active in research relevant to its own interests."

The demand for the trust's grants has been growing even faster than its income. In the four years from 1986 to 1990, the number of applications doubled to 1,916 and the total amount of money requested for medical research trebled to £144m. Last year the trust was able to fund 1,155 projects, in whole or in part, and spent £55m on research.

The increasing competition results partly from the shortage of funds from the MRC and other sources – and partly from the "sophistication factor" which is pushing up the cost of doing medical research faster than the retail price index.

The trust covers all areas of biomedical research except cancer, which it leaves to the MRC and two large charities, the Imperial Cancer Research Fund and the Cancer Research Campaign (CRC). Even so, some of its fundamental research has implications for cancer, and it co-operated with the CRC to set up a jointly funded Institute of Cancer and Developmental Biology, which opened this year in Cambridge.

Ogilvie says Wellcome's fastest growing field is neuroscience, ranging from basic research into the workings of the brain to psychiatry and other clinical subjects.

Beyond biomedical research, the trust maintains its founder's passionate interest in the history of medicine. Last year it spent £3.4m on its history of medicine programme – about half internally on the Wellcome Institute for the History of Medicine and half on university grants. The programme will move up to a new level of intensity next year when the new Centre for Medical Science and History opens.

The trust has steered clear of political lobbying on behalf of scientific research and avoided making public statements about government policy. It is clear, however, that Peter Williams and Bridget Ogilvie are unhappy about the effects of government cuts on academic research. "I think universities have been stretched to the point of collapse; they cannot go on like this," she says.

Williams deplores the time and resources wasted by the academic world's "relentless pursuit of grants". The trust's statistics show that, on average, senior researchers devote fewer than 10 hours per week to their projects. "The present system under which the work is done by people who are on short-term support from numerous sources is not a satisfactory basis for medical research."

The trust is not big enough on its own to shift the whole UK system of academic research away from short-term to long-term funding, though it does set aside one-third of its income for longer term support.

However, its growth is enabling it to play an increasing role in determining UK research policy. Two years ago, for example, the trust led the way in increasing the pay of junior researchers – and the MRC followed its example.

Looking at the long-term impact of the trust on medical research, there can be little doubting Henry Wellcome's title as the greatest philanthropist in British history.

Blue boxes hold the key to a greener environment

John Thornhill on an innovative recycling scheme

A casual visitor to the tidy town of Shoreham-by-Sea in West Sussex may be somewhat puzzled by the appearance of blue rubbish-filled plastic boxes on the kerbsides of many of the residential roads.

But this strange phenomenon may soon be replicated throughout the country if the UK is to come close to matching the government's target for recovering and recycling 25 per cent of domestic waste – an ambition outlined in its 1990 white paper on the environment.

The blue boxes are the most visible aspect of an innovative partnership forged between the local authority, private business and 25,000 households in the Adur district to research the economics of recycling rubbish.

At present almost 17 per cent of the domestic waste in Adur district is recovered for re-use. Markets have been found for such packaging materials as paper, plastics, glass and cans.

There were fears that the squeeze on local government spending might have led to the project being curtailed. But this danger may be averted as Lord Reay, the indus-try and technology minister, is expected to announce a central government grant to support the project when he visits the site today.

The initiative for the Adur project came from the European Recovery and Recycling Association (Erra), a collection of 27 consumer goods, retailing and packaging companies including Coca-Cola, Procter & Gamble, Nestlé, Pechiney and Carrefour.

This association was formed in response to the growing wave of environmental concerns that was sweeping into the political arena. Many companies feared that the emotional furore of the environmental debate would put pressure on governments to introduce hasty legislation which would impede economic growth – and hurt businesses.

Germany has already introduced controversial legislation and a directive on the subject is pending from the EC Commission. Erra was keen to explore alternative commercially driven methods of recovering domestic waste.

Adur district council, which has a strong record of encouraging environmental initiatives, was also keen to participate in the scheme, as was its parent West Sussex County Council. Erra contributed £425,000 to the capital costs of the equipment while Adur district council meets the operating costs of the scheme which currently run at £160,000.

More than 90 per cent of the district's residents take part in the scheme, which is designed to make participation simple. "Even at the height of green consumerism in the UK you still had a high proportion of people not taking part in any recycling initiatives. What we are doing is making it very easy for households to participate," explains Peter Terry, the chief engineer of waste management department at West Sussex County Council.

The residents are asked to sort their domestic waste into metals, glass, plastics and paper and place the materials in the blue boxes which are collected on the same day as other rubbish.

The collectors then sort the materials by dumping them in separate compartments in special dustcarts. These are emptied at a materials recovery facility (MRF) where the rubbish is bundled into batches to be sold back to manufacturing and packaging companies.

The technical sophistication of the equipment at the MRF has enabled the project to improve the purity of the collected material and reduce sorting costs. For example, plastics and metals can be collected together and then divided at the MRF by using a magnetised separation unit. Steel cans are attracted by a magnet into one chute, aluminium ones repelled into another and plastics left to fall into a third.

As it stands today, the scheme runs at a loss. But the managers anticipate that it will become profitable once the benefits of greater economies of scale begin to flow. The scheme will soon extend to 100,000 households and will also begin to cover commercial waste.

"With the inclusion of commercial waste we can see the costs coming down from about £12 per household per year to about £4. At that point we are within striking distance of break-even," says Philip Olver, director of housing and environmental services at Adur district council.

But the scheme has thrown up broader concerns about how to handle recyclable materials.

"One of the major problems is that the UK imports two-thirds of its paper consumption. The ability to re-use paper is related to our pulp-producing capacity in this country which is currently insufficient," says Albert Marsden, a director of Community Recycling, an offshoot of the Attwoods waste disposal group.

The UK also has an imbalance in its glass requirements. The British consumer's penchant for French red wines has meant that the UK imports a vast amount of green bottles. But the Scottish whisky industry ensures that the UK exports large amounts of clear ones.

Because coloured glass cannot be converted back to clear, there is a great surplus of green recycled glass in the UK and a shortage of clear. Since it does not make commercial sense to export the green glass back to France, the imbalance may only be solved by a change in consumer preferences. But would British consumers drink their milk and whisky out of green bottles? Would the French be happy to bottle their wines in clear glass?

FINANCIAL TIMES SURVEY

WORLD TEXTILES

Thursday October 3 1991

After two decades of upheaval, the textile industry faces a further period of awesome challenge. Uncertainty over world trading agreements and the continuing recession heavily overshadow the prospects for producers in Europe and Asia, writes **Alice Rawsthorn**

A new set of challenges

"IF YOU look at what has happened to the 20 biggest textile groups in the last five years, there has been carnage," said Mr Martin Taylor, chief executive of Courtaulds Textiles, one of the leading players in UK textiles.

For Mr Taylor, and his counterparts at the other big textile groups, the late 1980s were nothing if not eventful. They were beset by a series of problems: the US and UK recessions; procrastination over the fate of the Multi-Fibre Arrangement, which regulates the textile trade; ricocheting raw material prices; a blitz of leveraged buy-outs in the US; and continued competition from low cost textile producers, notably Turkey and China.

The 1990s seem set to be just as dramatic. The good news is that the US, the biggest single market for textiles and clothing, is coming out of recession. The bad news is that the textile industry now faces a new set of challenges: the uncertainty over the end of the MFA; the introduction of the unified market in the European Community; the instability of eastern Europe; and the question of Hong Kong's future after it reverts to China in 1997.

These challenges will add to the ongoing issue of how to operate in an industry where a company's fortunes are determined as much by unpredictable factors such as exchange rate fluctuations, swings in raw material prices and shifts in the industrial policies of governments in the emerging economies as by management strategy.

Perhaps the only source of solace is that drama is scarcely new to the textile trade. Textiles is a vast and varied industry stretching from the elegant *haute couture salons* of Paris to the high tech weaving mills of the Carolinas and to seedy sweatshops along the Bangkok waterfront.

The labour intensive nature of the production process ensures it is one of the first forms of industrial activity for any emerging economy yet the global market for textiles is nearly static. The Economist Intelligence Unit in London forecasts annual growth in textile consumption of 2.1 per cent for the developed countries until the year 2000 and 3.4 per cent for developing countries. This means the balance of power in textiles is constantly changing as new production centres can only expand at the expense of the established players.

This vicious cycle of competition is most marked in Asia where Thailand, Malaysia, Indonesia, the Philippines, and of course, China, emerged in the 1980s as new production centres at the expense of Hong Kong, Taiwan and South Korea.

China is certain to continue its expansion in the 1990s, and Vietnam is expanding, while India and Pakistan are becoming more aggressive.

Despite all the effort expended on negotiating the phasing-out of the MFA, there is no real confidence among textile companies in the developed economies that it will be feasible to enforce a free and *fair* trading system.

The omnipresent threat of yet more competition has left the big textile groups in the developed world – such as Marzotto and GFT in Italy, Steilmann in Germany, Chargeurs and DMC in France, Dominion in Canada, Coats Viyella and Courtaulds Textiles in the UK, Milliken in the US, Toray and Teijin in Japan – with no option but to concentrate on the value-added areas of activity where cost is a lesser criterion.

One of their main weapons in the 1980s was technology. Advances in automation enabled the big textile groups to operate more efficiently with fewer staff. Some sectors of textiles, notably spinning and weaving, turned into capital intensive industries thereby eroding the Asians' advantage of low labour costs.

The pace of technological change is now slowing. There have been no dramatic innovations in recent years. The emphasis has been on improving and refining existing systems. Moreover, although spinning and weaving are now highly automated, the level of computerisation in clothing, a more complex process, is still relatively low. This means that the big clothing companies are still very vulnerable to low cost competition. Given that they tend to buy their fabrics and thread from local suppliers, this also weakens the position of spinners and weavers in developed economies.

In future, the big textile groups in the developed countries, particularly in North America and western Europe, could also face higher costs because of the need to conform with increasingly stringent environmental legislation to impose controls over areas such as energy usage and waste control.

These costs are less likely to be enforced by governments in the emerging economies. This may make it more difficult for the western groups to remain cost competitive. Mr Klaus Steilmann, president of Steilmann, the large German clothing group, recently advocated that steps should be taken to ensure that environmental controls are imposed globally.

The textile groups of North America, Japan and western Europe need to find new ways of improving their competitiveness in the 1990s. It is already becoming clear which directions they will pursue.

One of the most important trends is internationalisation. Although textiles has long been an international trade, in that cloths and clothing have been shipped from country to country for centuries, individual companies have tended to limit their manufacturing operations to a single country.

This scenario is changing. Many companies are now following the precedent set by the Germans by sourcing more of their merchandise from low cost countries. The French are already actively sourcing in north Africa, the British in Asia and the Americans in the Caribbean. Eastern Europe is likely to emerge as an increasingly important sourcing base for companies in western Europe, as is Mexico for the US.

"We see ourselves as a global player," said Mr Neville Bain, chief executive of Coats Viyella, which has expanded its sourcing interests in the past two years. "That means we will function wherever in the world it is most cost effective."

Companies are also becoming much more sophisticated about the way they organise their sourcing operations. In the past, sourcing tended to involve buying an entire order from a sub-contractor or wholesaler in another, lower cost country.

Today's sourcing systems are more complex. Advances in information technology are enabling companies to operate much more flexibly on a global basis. Increasingly they are dividing orders into different batches so that, typically, the first part of the order and any repeat orders are manufactured in their own country, but the bulk of the order is sourced from a sub-contractor elsewhere.

The big groups are not only sourcing more of their products internationally but are also establishing, or acquiring their own operations in other countries. Whereas the *raison d'être* of sourcing is generally to reduce cost, the start-ups and acquisitions are generally intended to improve customer service.

There have been a series of cross-frontier deals in international textiles over the past few years. Toray expanded into Europe with the acquisition of the Samuel Courtauld weaving mill in the UK. Wacoal, another Japanese company, has already moved into the US and is now building a huge production plant in France.

Chargeurs has made a number of investments across Europe and the US to become a worldwide player in wool textiles. The main rationale for Coats' recent bid for Tootal was to extend its global presence in thread. Sara Lee, the US group, is turning into an international force in hosiery through a string of acquisitions, most recently by buying Pretty Polly in the UK.

The *leitmotif* for most of this investment is to provide a faster, more flexible service by operating closer to their customers. The recent investment in computerised stock control systems by the major retail groups means that textile companies really do have an advantage over their competitors *if* they can offer the sort of "quick response" that enables retailers to reduce stocks and minimise mark-downs.

A study commissioned earlier this year by the European Commission, from Texco International and Kurt Salmon Associates, the management consultancies, found that 40 per cent of the EC retailers questioned were prepared to pay at least 15 per cent more for merchandise if the suppliers provided quick response. This means it is advantageous for textile companies to operate as close as possible to their customers.

The emphasis on quick response offers a sorely needed opportunity for the established producers in the West and Japan to erode the cost advantage of their competitors in the emerging economies.

A study by Technomic, the Hong Kong-based consultancy, warned that the Asian textile industry could lose "significant export volumes" to companies in North America and western Europe during the 1990s. One catalyst for this will be the ability of the companies in those regions to benefit from quick response.

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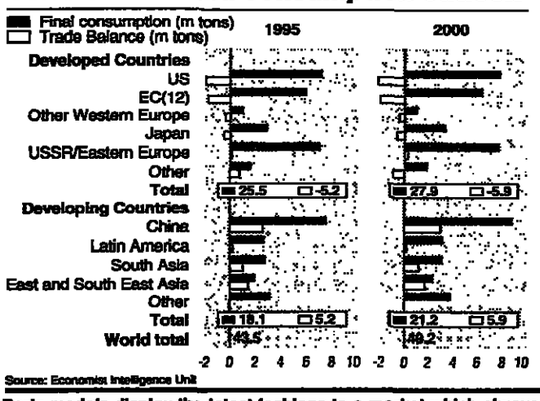
CONTENTS

Paris models display the latest fashions to a market which always expects the unexpected

Textile trade and consumption outlook



Source: Economist Intelligence Unit

William Dullforce charts the search for a long-term trade pact

So near, and yet so far

A BREAKDOWN in the framework that has governed world trade in textiles and clothing for the last 30 years was averted at the end of July by an 11th-hour agreement between exporting and importing countries to extend the Multi-Fibre Arrangement (MFA) for 17 months until the end of 1992.

As a result, the industry's long-term prospects hinge once again on the outcome of the negotiations on the liberalisation of the trade which have been going on for nearly five years under the aegis of the General Agreement on Tariffs and Trade's Uruguay Round.

An agreement that would gradually phase out the MFA and bring international trade in textile products firmly within Gatt's non-discriminatory rules is a declared aim of the Round and one to which developing countries attach a special significance. A draft text that might well have evolved into a fully fledged agreement was one of the victims of the failure by world trade ministers to complete the Round on schedule at their meeting in Brussels last December.

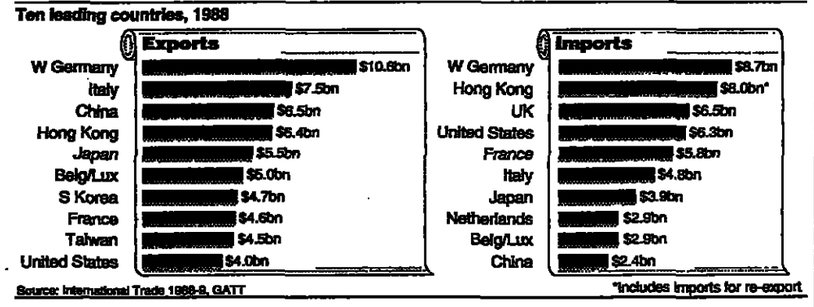
Since then at their summit in London in July the leaders of the Group of Seven industrialised countries made a common pledge to finish the Round by the end of this year. In September Mr Arthur Dunkel, Gatt's director general, asked textile negotiators to table a new draft agreement by the beginning of November.

Gatt estimates that between 65 and 70 per cent of the roughly $200bn-a-year world trade in textile products takes place under the MFA, in which the industrialised countries negotiate bilateral agreements setting quotas for imports from developing countries. Although the MFA is managed by a textiles committee which operates within Gatt, it has always been recognised as an anomaly to Gatt's general principles, put in place essentially to allow the textile industries of the importing countries time to adjust to Third World competition.

The MFA, which came into effect in January, 1974, supplanting an arrangement on trade in cotton textiles drawn up in 1962, has now been extended four times. It has 41 members, counting the European Community as one. The EC and the US offer by far the biggest import markets, valued at just under $30bn each in 1989, with Japan in third place.

Textiles

Ten leading countries, 1988



Source: International Trade 1988-9, GATT

*Includes imports for re-export

Doing away with the MFA and obtaining free access to the industrialised countries' markets for textile products is a test case for the Third World in the Uruguay Round. But the International Textiles and Clothing Bureau (ITCB), the inter-governmental body through which the exporting countries try to coordinate their efforts, failed in its attempt to have the MFA modified for the latest 17-month extension. In particular, the importing countries refused to abandon their rights under the MFA to introduce new restrictions and to act unilaterally against what they regard as attempts to disrupt the quota-regulated trade.

The system has become so ingrained over the past 30 years that some exporters as well as some importers have difficulty facing up to a fully liberalised trade

Some new bilateral deals, in some cases containing enlarged quotas for the exporters, have been struck since the end of July, notably by the US, Finland and Austria on the importers' side. The EC's quota agreements, with the exception of those with China, expire at the end of 1991; in June Brussels offered to roll them over for an extra year. By the middle of September deals had been signed with Hong Kong, Macao and Mexico. All the other exporting countries had scheduled visits to Brussels before the end of October.

India and Pakistan, the two countries which held out longest against the latest extension of the MFA, were still saying in mid-September that they would not negotiate new deals under the MFA. Sceptical EC officials saw this stance as a ploy aimed at obtaining an increase in their 1992 quotas to give their producers a better position before the graduated phase-out of MFA restrictions that could start in 1993 under an eventual Uruguay Round agreement.

One of the most contentious points in the Gatt talks has been the timetable for completing the phase-out. The European manufacturers have been holding out for a 15-year transition period; the exporting countries want a fully liberalised trade after 6¼ years. Trade officials believe that a compromise on a 10-year phase-out may be politically acceptable to both sides in the end.

But the importing countries, pressed by their domestic producers, are posing stiff conditions. These include agreements in other areas under negotiation in the Uruguay Round which would tighten Gatt rules against dumping, subsidies, trade-mark piracy and counterfeiting. They want improvements to Gatt's dispute settlement mechanism so that the handling of complaints can be at least as fast as they have been under the MFA.

In addition, the EC industry has been insisting that developing countries open their markets fully to EC exports of textile products. In fact, several developing countries, among them Argentina, Brazil, Mexico, Peru, the Philippines and Uruguay, have already reduced barriers.

Two outstanding unresolved issues concern the percentages with which import quotas should be raised at each staging point during the transition period and the list of products to be covered by an agreement in the Round.

Exporters argue that the percentage increases so far accepted by the industrialised countries would leave half of the trade, including important clothing products, still subject to quotas at the end of a 10-year transition period. Pakistan and India are particularly incensed at the widening of the coverage to include products that are not now subject to quotas; this, they claim, would allow the industrialised countries to "liberalise" at least in the initial stages without removing current restrictions on imports.

Not all the difficulties are as clear cut. The quota system has become so ingrained in the textiles trade over the past 30 years that some exporters as well as importers find it difficult to face up to a fully liberalised trade. In developing countries producers that have secured large quotas are reluctant to give them up.

Finally, China, already the biggest Third World exporter with great unleashed potential, looms large in the worries of producers worldwide. China poses the question of how non-Gatt members are to be treated, when the MFA has been phased out and the textiles trade has come under Gatt rules. China is a member of the MFA, but Gatt members have been marking time on its application for reinstatement since the student demonstration on Tiananmen Square was crushed in 1989.

Europe dines out on its design skills, writes **Alice Rawsthorn**

Dark clouds with silver linings

THIS month the models, photographers, journalists, store buyers, celebrities and would-be celebrities, who make up the international fashion circuit are flitting from Milan, to London and then to Paris for the new season's ready-to-wear fashion collections.

The gloss of the collections is the glitzy tip of Europe's textile and clothing industry, an area of manufacturing which generates annual sales of more than 180bn Ecu and employs 3m people in western Europe alone.

The 1980s was a turbulent decade for Europe's textile companies and the 1990s seem set to be equally eventful. Over the next few years they will have to grapple with everything from the introduction of the unified market in 1992; to the continuing procrastination over the end of the Multi-Fibre Arrangement; and continued competition from low cost production centres in Asia and Africa.

At first glance the outlook is far from encouraging. Profitability came under intense pressure in the 1980s thanks to the combination of rising labour costs, erratic demand and intense international competition. Europe's textile and clothing workforce fell by more than a quarter during the decade.

That pressure shows no sign of abating. Some markets, notably the UK, have been depressed for the past two years. The Apparel, Knitting and Textiles Alliance, which represents the UK industry, estimates that there were nearly 100 job losses every working day last year. The rationalisation has continued this year and has accelerated since Coats Viyella, the largest UK group, took over Tootal, another sizeable player, earlier this summer.

The pressures in the UK are now being replicated to other countries. The French market has been under pressure for some time. Germany is now slowing down, having been buoyed last year by the short term catalyst of unification. The Italian, Spanish and Portuguese industries are burdened by heavy stocks.

A recent report conducted for the European Commission by Texco International and Kurt Salmon Associates, the management consultancies, forecast the loss of up to 700,000 jobs in the clothing and home textiles alone over the next 10 years thanks to the combination of productivity improvements and the relocation of manufacturing capacity outside Europe.

Despite these gloomy predictions, there are some positive signs on the horizon. One is historic. Europe is undoubtedly *the* centre of excellence in international textiles. Its fashion designers, such as Karl Lagerfeld for Chanel in Paris and Giorgio Armani in Milan, dominate the design scene. Its engineering groups, like Schlafhorst of Germany and Sulzer- Rüti in Switzerland, lead the world in terms of technical development.

Some European companies, notably GFT and Marzotto of Italy, have already harnessed design and technology to position themselves as sources of high quality products thereby proving that it is possible to succeed in clothing and textiles from high cost production centres.

Other companies are following suit. Many have forged links with the fashion designers. The Europeans have also been much more progressive than their North American competitors at investing in technology. Werner International, the New York-based management consultancy, estimates that the Europeans have spent nearly $3bn a year on capital expenditure for the past three years. This is 50 per cent more than the US industry which is roughly the same size.

Similarly the Europeans are developing sophisticated international sourcing systems to improve their cost competitiveness. Many UK groups have forged links with companies in Asia, and their French counterparts in North Africa.

The liberalisation of eastern Europe also offers new sourcing opportunities. The western Germans have been sub-contracting in the East for some time. Courtaulds Textiles, one of the largest UK groups, has seen the proportion of its clothing sales sourced from other countries rise from 2 to 20 per cent in the past five years.

Initially sourcing tended to involve producing whole orders in lower cost centres. It is now a more complex process whereby companies produce parts of an order – generally the first batch and later repeat orders - in their own country and source the rest from sub-contractors.

Sourcing will become increasingly important in the future. Throughout the 1980s "quick response", or the ability to respond speedily to a customer, was seen as a critical competitive advantage for the Europeans against lower cost manufacturers in Asia and Africa. It undoubtedly had some effect on the industry in the 1980s, but not much as originally envisaged.

However, many European retailers have now installed sophisticated computerised stock control systems which will enable them to derive real benefits from securing a faster service from their suppliers. They reduce stocks and minimise the risk of mark-downs by placing smaller, more frequent orders. This means there is a real benefit for them to work with local suppliers.

The EC study surveyed a group of clothing and home textile retailers to see whether they would be willing to pay a premium for a faster service. Some 40 per cent of respondents said they would pay at least 15 per cent more.

If "quick response" does take off, it will have an indirect influence on the whole textile chain. If a clothing manufacturer is to respond faster to an order from a retailer, it will need a speedier service from its cloth and thread suppliers and so on.

This should help Europe's textile and clothing companies to become more competitive in their own market during the 1990s. At the same time the more progressive companies are also expanding in the US to improve their service in that country.

These developments, combined with the short term fillip of the end of the US and UK recessions, ought to ensure that the 1990s is a constructive, if combative decade for Europe's textile and clothing companies.

In the world of design, Chanel is among the crème de la crème

Robin Anson scans the new frontiers in man-made textiles

The intelligent fibre cometh

MORE than 50 years ago women queued on the streets of New York when the first stockings made from Du Pont's nylon - the world's first synthetic fibre – went on sale.

Innovation, like Du Pont's revolutionary development of nylon, has been at the heart of the man-made fibre market in recent years. Ever since the oil shocks of the early 1970s the US and European fibre groups have been forced to restructure to survive.

These companies have cut capacity, generally by withdrawing from production of fibres for the low cost textiles that are made in Asia, and agreeing to specialise. Many have focused on high-tech markets such as automotive textiles and fibre reinforced composites where imports are low, added value is high and a technological lead can be secured.

In apparel fibres, many groups have engineered superior fibres. They have also on high value markets such as performance sportswear, where Western clothing manufacturers still have a competitive advantage.

Some of the most innovative products have come from Japan, where the fibre industry has been battling against the rising yen, high labour costs and growing competition from South East Asia.

The Japanese invented microfibres initially as a silk substitute for use in kimonos. Today about 90 per cent of these fibres go into women's dresses and blouses. Microfibres have also been adopted by producers in Western Europe, initially for sportswear, more recently, they have found their way into everyday clothing.

The Japanese are now developing even finer fibres. The latest microfibres are one hundredth of the diameter of the finest silk. The Japanese have also gone further, into products which are highly innovative - including conductive fibres which are anti-static and fibres impregnated with bactericides and fragrance capsules to banish odours.

Toray, one of the biggest Japanese groups, produces what it claims to be the world's first "artificial intelligence fibre". Those who have visions of clothing that can find its own way to the washing machine will be disappointed. Toray's product, Kelvin Thermo, is temperature sensitive. Skiwear made from it turns black at sub-zero temperatures to absorb the sun's rays and make the wearer feel warmer. At temperatures above 5C it turns white to reflect heat.

This emphasis on innovation helped the established fibre groups to stage a strong recovery, particularly in Western Europe, during the mid-1980s.

However, the weak dollar in the second half of the 1980s led to a surge of low cost textile and clothing imports into Western markets. Meanwhile, capacity grew rapidly in Turkey and the Far East, putting pressure on prices and leading to allegations of dumping.

More recently the US and UK recessions, coupled with the effect of the Gulf war, have added to the gloom. Last year saw the first drop, albeit small, in synthetic fibre production since 1982. The fall was more pronounced in the US with synthetics output down by 6 per cent and polyester by 11 per cent.

Even the producers that switched to industrial textiles have suffered. Many companies linked their fortunes to the car industry which has been hit by its worst sales figures for years. The only bright spot is the German market, where demand has been kept high by the post-unification boom. But even this may be shortlived.

The immediate outlook is poor with many producers in Western Europe reporting sharp falls in profitability. Significantly, in July this year Akzo sold its 57.5 per cent stake in La Seda de Barcelona to a Spanish lawyer for a mere 1 peseta. To secure the deal, it had to pay Pta600m to cover the previous month's wage bill.

Medium term prospects are more promising. There is still concern about over-capacity mainly because of rapid expansion in Asia. However, the announcement of two new inward investment projects in Europe – by Allied-Signal of the US, aided by a French government subsidy, and Texmaco of Indonesia, in a venture with Eastman Chemical of the US – have met with a storm of protest from other producers.

However, restructuring has left the West European fibre industry in better shape than at the time of the last recession. Producers have shifted to higher value markets and invested in labour saving technology.

The market for industrial textiles should pick up quickly when the Western economies recover. Moreover, potentially profitable new end uses in technical textiles are still awaiting exploitation. The Western apparel industry is also in stronger shape which should help its fibre suppliers.

Many producers in Western Europe have entered into strategic alliances for specific products with Japanese companies, following the lead set by the big car makers. Hoechst of Germany has teamed up with Teijin and Akzo of the Netherlands with Mitsubishi Rayon.

These alliances should strengthen the European presence in Japan and assist access to expanding Asian markets. They will also facilitate technology transfer and enable companies to pool research and development activity.

Longer term, in some markets, natural fibres could be replaced entirely by synthetics. Future developments in textile machinery will lead to faster processing speeds. Synthetics are easier to process, with fewer stoppages and better quality. Developments in filaments have made them more like natural fibres, and therefore more acceptable to consumers.

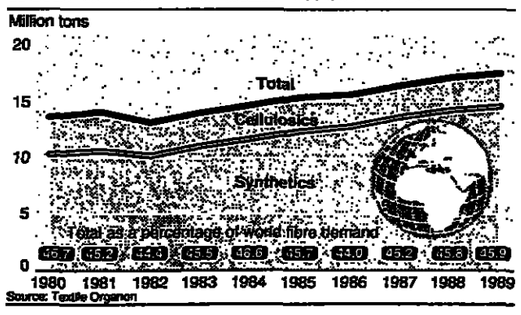
One Japanese company has recently launched an upmarket range of "wash and wear" suits - an ultimate test of consumer acceptability.

This may be one Japanese lead that Western businesses decline to follow.

For too many it will evoke painful memories of the bad old days when unsuitable products led disillusioned consumers switching *en masse* from man-made to natural fibres.

Quality control at Stevenson dye-works near Derby in the English Midlands

World demand for man-made fibres



Source: Textile Organon

Alice Rawsthorn on a fashion success story

Gap that launched 1,000 shops

IT was in the San Francisco of 1969 that Mr Donald Fisher quit his job in real estate to open a shop selling Levi jeans. He called the shop, The Gap, after his wife came back from a party at which the main topic of conversation – this was the 1960s after all – was the generation gap.

The Gap of today is one of the hottest companies in the US with 1,188 shops across North America and the UK. It is also a leading light among the new generation of clothing and retail companies that are abandoning traditional business tactics in favour of doing everything – from product design, to advertising – on their own.

The Gap's business strategy, like the cotton T-shirts and sweaters it sells in its shops, is as simple as can be. Its overwheening objective is to exercise as much control as possible over every aspect of its activities.

In its early days The Gap bought in branded products from other manufacturers. In 1983, shortly after Mr Millard "Mickey" Drexler was drafted in from Ann Taylor, the US fashion group, as president, it dropped all the brands apart from Levi-Strauss jeans and concentrated on developing its own label.

Earlier this year, it dropped Levi too. The Gap now sells nothing but its own merchandise.

The products are designed in its New York design studio and sourced from sub-contractors all over the world.

The Gap also controls its own marketing. The "Individuals of Style" advertising campaign – in which a string of actors, artists, writers and musicians are photographed wearing Gap clothes – is now slapped across magazines, billboards and buses all over the US and UK.

Whereas most companies adopt the conventional approach of appointing an advertising agency, all Gap marketing is co-ordinated from its San Francisco headquarters by Ms Maggie Gross, senior vice president of advertising and marketing.

The Gap has had its problems. Banana Republic, one of its fashion chains, has never really taken off.

An attempt to move upmarket, by introducing a new type of store called Hemisphere, was disastrous. From time to time it has made merchandising mistakes.

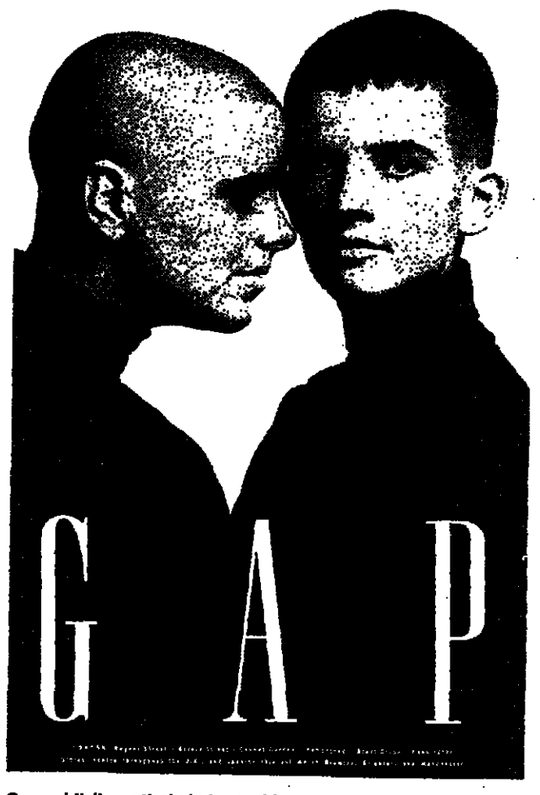
The "mistakes" are generally sold off as quickly as possible by slashing the price by as much as 30 per cent.

Everything else seems to have gone swimmingly. At a time when consumers are disillusioned with the designer fetishism of the 1980s, The Gap – with its emphasis on natural fibres and functional design – is entirely in tune with the times.

When American *Vogue* ran an article on The Gap, it featured photographs of everyone from the actress Winona Ryder to super-model Christy Turlington and singer Madonna all clad in Gap clothes.

Even in the last year or so when both its main markets, the US and the UK, have been hit by recession. The Gap has managed not only to increase sales, but to press ahead with its expansion plans.

It recently announced a 28 per cent increase in turnover to $973m for the 30 weeks to August 31 against the same period last year. And, recession or no recession, it is still sticking to its strategy of opening at least 150 new shops a year in the 1990s.



Gap publicity: entirely in tune with the times

A new set of challenges

Continued from previous page

"There are very few reasons for having a textile industry in a high cost economy like the US," said Mr Jay Meltzer, textile analyst with the Goldman Sachs securities group in New York. "But quick response is one of them."

One way for the big groups to meet the demand for quick response is by investing in technology to make their production plants more flexible. However, the slowing pace of progress in textile technology means that other areas, notably organisational issues such as production planning, are becoming increasingly important.

A recent report by Werner International, the management consultancy, suggested that the typical textile company of the future would be divided into a number of small "strategic business units each with an autonomous profit centre" with only a few strategic functions, such as personnel and treasury, conducted from the centre.

The structure of individual production plants is likely to change too. "If you have a computerised mill operating on four shifts around the clock then the only management you need is a factory manager," said Mr Raoul Verret, president of Werner in New York. "And all the staff at the mill will be trained to perform a variety of functions."

This process of international expansion, accompanied by internal reorganisation, is certain to catalyse yet another round of rationalisation in the developed textile industries. Both the EC and US industries lost more than a quarter of their workforce during the 1980s.

The job losses have accelerated in the early 1990s. The EC textile and clothing industry is presently shedding labour at the rate of 50,000 jobs a year. Nearly 100 jobs were lost every working day in the UK along last year. So far there is no sign of an end to the rationalisation in the 1990s.

Painful though this contraction will be, the combination of sophisticated sourcing strategies, a greater emphasis on customer service and more modern management structures should at least ensure that the big textile groups of North America, Japan and western Europe survive the 1990s without a repetition of the carnage of the 1980s.

All in all, the 1990s seems set to be an era when the international textile industry becomes even more competitive and more internationalised than ever before.

ASIA: the competition spiral intensifies, writes **Alice Rawsthorn**

China casts a giant shadow

THERE is a picture window in the boardroom at Mona Industries looking out over the waters of the Malacca Straits. On the factory floor below there is a far less picturesque vista of row upon row of women poring over sewing machines to make shirts for sale in the US.

Mona is one of the ambitious Malaysian clothing companies which emerged in the 1980s as a serious challenge to its competitors in higher cost Asian countries such as Hong Kong and South Korea. But today Mona's management is concerned about the threat of competition from other countries, such as Sri Lanka, Indonesia and even Vietnam, where labour costs even less than in Malaysia.

The vicious cycle of competition in Asia's textile industry shows no sign of stopping. No sooner has one country established itself as a low cost production centre for cheap textiles and clothing than its economy expands, labour costs rise and another country, with lower costs, takes its place.

But all Asia's textile and clothing companies, wherever they are based, are also beset by wider challenges. One problem is the uncertainty over the end of the Multi-Fibre Arrangement. Another is the question mark over Hong Kong's future when it reverts to Chinese ownership in 1997. Finally the Asian industry must accommodate the changing demands of its customers in the US and Europe.

In the 1980s the Asian textile scene was dominated by the attempts of the established centres – Japan, Hong Kong, South Korea, Singapore and Taiwan – to counter competition from the emerging industries in Malaysia, Thailand, the Philippines and, of course, from China.

One of the strategies of the established centres has been to contain the competition from lower cost countries by using them as bases for manufacturing and sourcing.

Hong Kong, for instance, has relocated nearly half its spinning capacity in the past 10 years initially in China and then in other Asian countries. The combination of high wages, labour shortages and hefty property costs has made it increasingly difficult to operate spinning and weaving factories within Hong Kong itself. The clothing industry is now migrating too. Hong Kong's clothing companies employ more than 2m people in the Pearl River delta area of China alone.

The South Korean and Taiwanese clothing companies have also been investing aggressively in Indonesia, the Philippines, Thailand, Malaysia and more recently in Vietnam. By contrast the textile groups have tended to stay in South Korea and Taiwan as the capital intensive nature of the textile production process helps to mitigate the impact of rising labour costs.

The governments of the emerging Asian economies are actively encouraging this inward investment in textiles. The Philippines, for instance, sees it as the main catalyst for a 10 year plan whereby it intends to double textile production to 140,000 tons by 1995.

So far overseas sourcing has helped the Asian textile companies to counter cost competition. But in future they may need to take more drastic action by looking further afield than their own region.

In the past year or so one of the main concerns for Asia's textile companies has been the recession in the US, their biggest single market.

They have had some success in compensating for the fall in orders from the US by drumming up new business in Europe, but they have still been left with unhealthily high stocks.

The US economy is now coming out of recession and demand is reviving. However, to some extent the economic squeeze has disguised the longer term problem for the Asians of dealing with customers in the US and Europe. The recent investment in computerised stock control systems by the big US and European retail groups means that they require a faster, more flexible service from their suppliers.

This places manufacturers in more distant locations, notably Asia, at a distinct disadvantage, and could help the US and European industries to regain lost share in their own markets.

There is already a trend for US textile and clothing companies to move their offshore investment from Asia to the Caribbean. In future the Europeans could also shift investment from Asia to eastern and central Europe.

A recent report from Technomic, the Hong Kong-based consultancy, warned that the Asia "stands to lose significant export volumes" in the 1990s because of this trend.

The obvious option for the Asian industry is to increase sales to its own regional market. However, this will be difficult given that Japan, at present the only sizeable market in the region, is already mature and many of the developing economies are in a precarious condition.

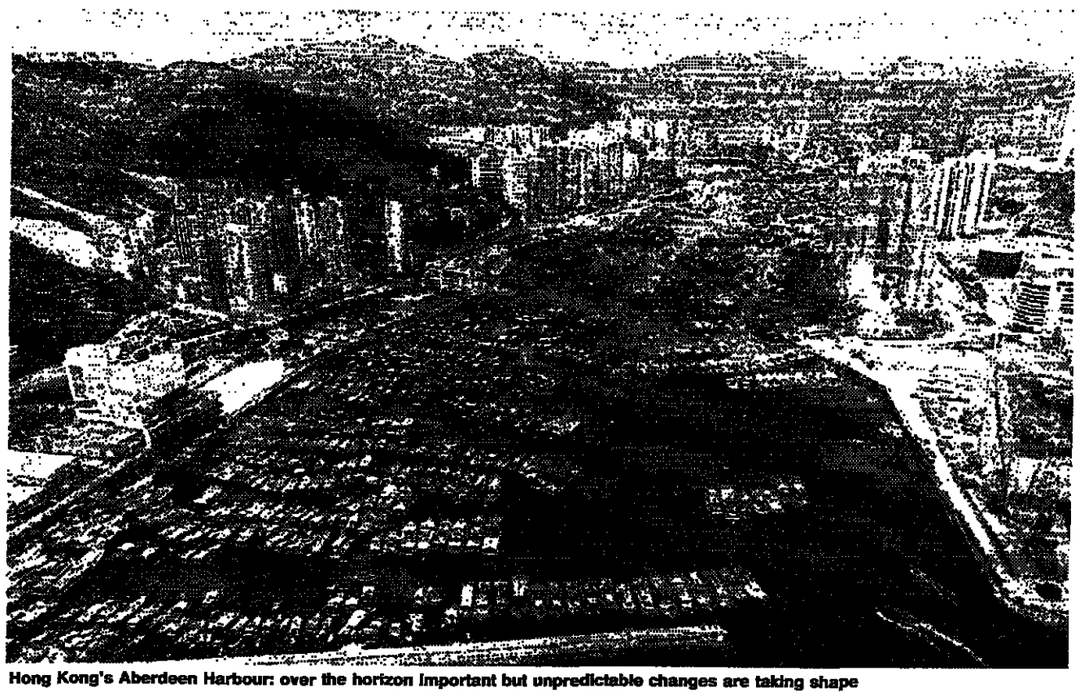
Another option is for the Asians to relocate production so that it is closer to their customers in the US and Europe. A number of Japanese groups, such as Toray and Wacoal, are already doing so in Europe. Similarly some South Korean, Taiwanese and Hong Kong textile companies are investing in the US and the Caribbean.

Despite all these challenges Asia is still seen as a dynamic textile centre for the 1990s. The balance of power within the Asian industry seems certain to change with India and Pakistan gaining momentum during the decade.

But the biggest imponderable is the future role of China. So far China's expansion in textiles has been restrained by government policy and political instability.

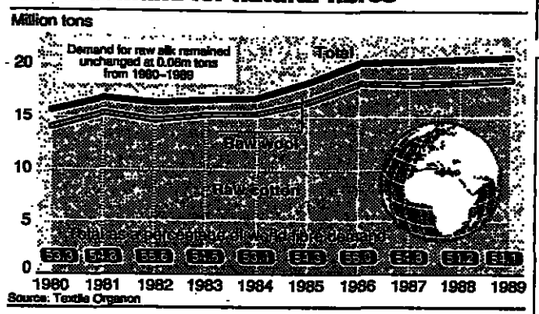
The 1990s may be the era when China, possibly aided and abetted by Hong Kong, realises its full potential.

If so, the future for Mona Industries and all the other Asian textile companies will be more challenging than ever.



Hong Kong's Aberdeen Harbour: over the horizon important but unpredictable changes are taking shape

World demand for natural fibres



Source: Textile Organon

NATURAL FIBRES

When lambs really do go to the slaughter

THE COLLAPSE of the Australian wool price system at the beginning of the year was inevitably followed by a collapse in world prices. The misery of the industry was later highlighted by news of the mass slaughter of commercially worthless sheep in Australia this summer.

The rot began with the Chinese government's massacre of democratic supporters in Tiananmen Square in June 1989. As the lid was placed firmly on the Chinese economy, Australia, the world's biggest wool producer, found itself with sharply reduced demand from one of its biggest customers.

At their peak in 1988, Chinese imports of wool were 146,579 tonnes. Imports fell to 85,076 tonnes in 1989 and to 27,951 tonnes last year, according to the International Wool Secretariat.

The political developments in the Soviet Union and eastern Europe only added to the problems of the world's wool producers. Soviet imports of wool fell from 133,999 tonnes in 1989 to 58,521 tonnes last year.

If demand in Western Europe, the US and Japan had remained steady, the Australian and New Zealand industries would still have been in trouble. But western demand was also weakening in reaction to earlier increases in wool prices and the substitution of cheaper fibres.

The Australian Government, faced with falling sales, high production levels and rapidly rising stocks, stepped in at the beginning of the 1990-91 season and cut the intervention price for the first time ever, from 870 cents a kilogram to 700 cents a kilogram.

Even this was not enough, however, and the Australian Wool Corporation found itself having to buy up to a third of the wool being offered for sale. In early February the price support scheme was abandoned; in the first free market sales for 17 years prices fell by 35 per cent.

The outlook is not all bleak, according to Mr Graham Lister of the International Wool Secretariat. World wool consumption, which fell by 9 per cent in 1990 to 1.7bn kilograms, is expected to rise by about 1 per cent this year. But "a much clearer recovery is possible in 1992," he says. In the first place the fall in prices has made wool much more competitive again in its battle against synthetic fibres. In addition, the recession in the west, which has hit general consumer spending on textiles, is seen as coming to an end.

"Now it's a free market the trade is purchasing 90 to 95 per cent of the offering – very different to the last days of the Australian scheme when the trade was only buying 50 to 60 per cent," says Mr Lister.

However, prices for growers will remain depressed by continuing high output and large stocks (4.62m bales at the end of the season in Australia alone), according to the Australian Bureau of Agricultural and Resource Economics (Abare). It expects the market indicator to average 500 cents a kilogram for 1991-92, compared with 657 cents in 1990-91.

Rising stock levels could also keep the brakes on the cotton price, according to the International Cotton Advisory Committee, which met last month in Turkey. It is forecasting record world production for 1991-92 at 92m bales, with consumption rising to 89m bales.

Stocks last August were 29m bales, up 1m bales on the year before.

Prices have been in retreat recently as traders have become increasingly aware that the crop from the US, the world's largest exporter, is going to be good. Last month the US Department of Agriculture raised its crop estimate to 17.9m bales, knocking 2 cents from the Cotlook A-index price to 69 cents a lb. At the beginning of the year the index was over 85 cents a lb.

According to Mr David Morris, economist with the Comité International de la Rayonne et des Fibres Synthétiques, cotton is trying to consolidate its market position in the face of continuing stiff competition from synthetic fibres. "The competition will remain pretty tough," he predicts.

The luxury end of the natural fibres market has been badly hit by the recession. "The silk market is extremely depressed," says Mr Ronald Curry, general secretary of the Lyons-based International Silk Association. The European processing industry this year imported 30 to 40 per cent less silk than the normal annual offtake of 5,500 tonnes.

China, which produces 90 per cent of the world silk exports, dropped the price in September last year from $51 to $45 a kilogram. Mr Curry fears that prices could be cut again this month - a bad move, he believes. "Processors don't like it, and they delay purchases. In an ideal world we should be seeking stable or slightly increasing prices."

China has also reduced prices for cashmere, probably in an attempt to boost consumption, according to Mr Ronald Miller of Dawson International, the big Scottish processor. Last month the price of raw white cashmere was cut from $95 to $78.85 a kilogram.

After a couple of very poor years, he believes that the market is set to pick up again. The return of the cashmere market to central control in China has restored quality to its exports, and orders are now up on a year ago, he said.

David Blackwell

The American mood brightens after a bleak decade, writes **Alice Rawsthorn**

In the West the sun also rises

WHEN Mr Jay Meltzer, the Goldman Sachs broker who is one of Wall Street's leading textile analysts, went on a recent tour of the textile mills in the Carolinas he made a point of asking the mill managers how their companies were faring.

When they were asked about the first half of this year, the response was invariably gloomy. Most of the managers said that business had been bad, much worse than in the previous year.

But when they were asked what they thought the market would be like in the second half of 1991 and in 1992, their answers were much more optimistic. Most of Mr Meltzer's audience said they were confident things were getting better.

The sentiment of the Carolina mill managers is echoed across the US textile and apparel industry. After a painful period of recession, the market is showing signs of recovery. The revival started in spinning this spring and then spread to weaving. This autumn it has become clear that, as the economy climbs out of recession, the apparel market is coming out of the doldrums too.

Now that the economic environment is improving the US textile and apparel companies – *and their 1.7m employees* – face the challenge of proving that they can overcome their old structural weaknesses to compete effectively in the international marketplace.

For years life was all too easy for the US companies. They did, after all, have the undeniable advantage of the world's biggest textile and clothing market in their own backyard.

The US was largely unaffected by the oil shocks of the 1970s. It was not until the early 1980s that they had to come to terms with the reality of operating in an industry where the Asians had cornered the lower end of the market thanks to low labour costs and the Europeans, armed with modern machinery and design flair, dominated the higher ground.

The US industry has been in decline since the early 1980s. The recent recession has simply accelerated its contraction. The combination of depressed consumer demand, coupled with the legacy of the leveraged buy-outs that ravaged retailing and textiles in the late 1980s, has created chaos.

A number of the most famous names in US retailing, from Bloomingdales downwards, effectively went bust. This left their suppliers with a morass of dead accounts and bad debts. Some of the best known US textile groups – including Burlington, West Point-Pepperell and JP Stevens – have been buried under mountains of debt.

These pressures will persist in the 1990s. Moreover, although the market is improving, the US textile and apparel companies should not expect to see a sharp recovery until next year at the earliest. A recent survey by *Women's Wear Daily*, the fashion trade paper, suggested that consumer spending would be higher in 1991 than in 1990, but that most of this increase would be due to an "easy" comparison with 1990.

Conversely the US companies ought to be able to benefit from the growing need of retailers for a "quick response" from their suppliers following their investment in computerised stock control systems. This should enable US manufacturers to steal a march over more distant suppliers in Asia. They are already shifting their overseas investment from Asia to closer plants in Mexico and the Caribbean.

However, the US companies also need to invest heavily in *new technology to make their* plants fast and flexible enough to deliver "quick response". Some, notably Milliken and Springs, are already doing so. Others, many of them constrained by LBO debt, have been forced to cut capital expenditure in recent years *and urgently need to modernise.*

Mr Raoul Verret, president of Werner International, the New York and Brussels-based management consultancy, is concerned that the overall level of investment is still too low.

"*When the primary textile* companies (spinners and weavers) spent $2bn on capital expenditure in 1989 and again in 1990 everyone thought it was wonderful," he said. "But this was less than depreciation and the European industry, which is about the same size, spent much more."

Mr Verret estimates that the US industry needs to spend "at least $4bn a year for the next five years" to become state-of-the-art. Some groups will undoubtedly spend at this level. But others, burdened by debt, will almost certainly be unable to do so.

Another big opportunity for the US companies is to increase exports. Traditionally, with the notable expections of the jeans groups, such as Levi-Strauss, and lingerie manufacturers, such as Playtex, they have concentrated on their own vast, domestic market at the expense of exports.

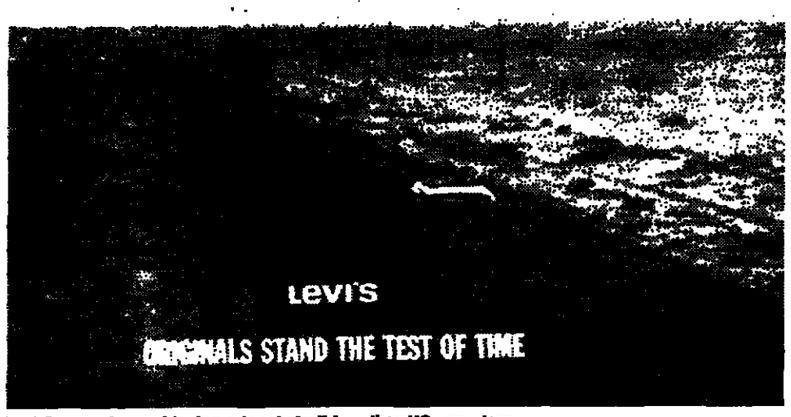
Times are changing. A number of US groups are now investing in the managerial and marketing resources needed to operate effectively overseas. Sara Lee, for instance, has expanded its European hosiery interests most recently by buying Pretty Polly in the UK.

The need for US companies to strengthen their overseas presence is heightened by the increased involvement of European and Asian manufacturers – including Chargeurs of France, Courtaulds Textiles of the UK and Wacoal of Japan – in North America.

At the same time the new US retailers are adopting a very different approach to their predecessors. Some of the most successful retailers of the 1980s, notably The Gap, control their own production and sourcing. They also work increasingly with manufacturers outside the US as do the new breed of leisurewear companies, such as Nike and Reebok.

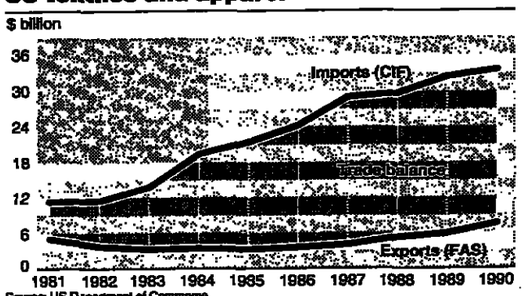
These companies seem most likely to continue to succeed in the 1990s. They bear very little resemblance to the old stereotype of the production-driven US textile groups with their huge domestic plants.

"There are five things that will help the textile industry in the 1990s: quick response, automation, niche marketing, exports and international sourcing," *said Mr Meltzer of Goldman Sachs.* "Without them the industry will die. With them it will not only survive, but thrive."



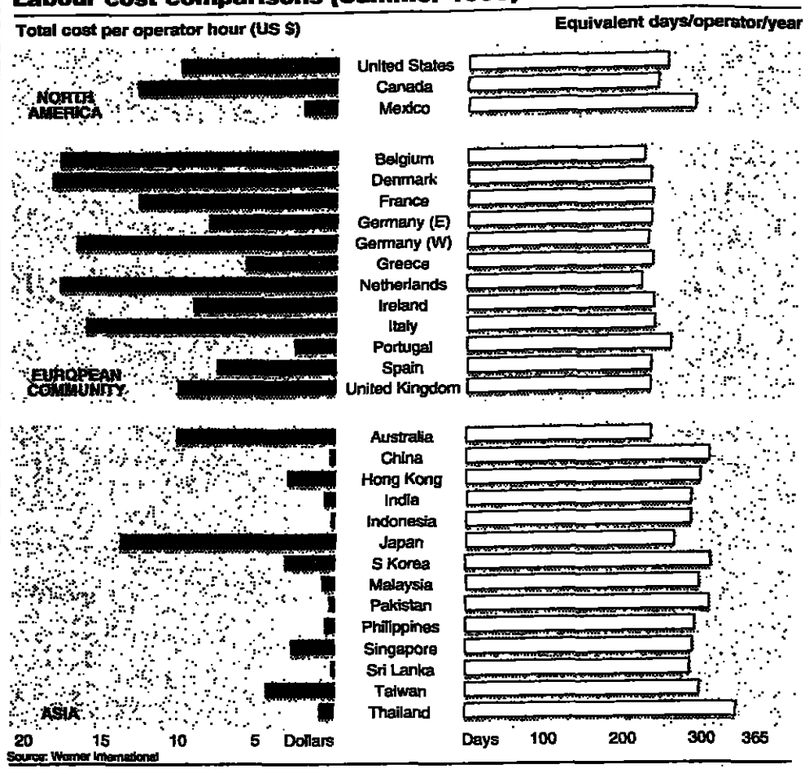
Levi-Strauss jeans: blazing a lonely trail for other US exporters

US textiles and apparel



Source: US Department of Commerce

Labour cost comparisons (Summer 1990)



Source: Werner International

The wages gap remains a key factor

THE difference between the daily pay of a sweatshop worker in the back streets of Kuala Lumpur and the salary of a technician at an automated weaving mill in the Stuttgart suburbs is an issue of enormous importance to the international textile trade, writes **Alice Rawsthorn**.

For decades the cost of labour has been a critical factor in enabling the emerging *economies to make inroads into the textile* markets of the developed world and in making it increasingly difficult for the companies in those developed markets to remain in business.

More recently, the importance of labour costs has been eroded by advances in textile technology. Other considerations, notably the cost of capital, have become increasingly important. But the price of labour is still critical in determining competitiveness in the developing countries and in an area like clothing, where technical progress has been slower and the level of labour intensity is *still high.*

So, for the foreseeable future, the difference in income of the Malaysian sweatshop worker and the German technician will still preoccupy the world's textile groups.

Equipment improves but sales remain slow, writes **Robin Anson**

Machine makers in a spin

FOR the past four days the German city of Hanover has become the centre of the international textile industry as people have gathered for ITMA – the international showcase for textile machinery held every four years, and one of the world's largest industrial exhibitions.

The last ITMA was held in Paris in 1986, at a time when the textile business was buoyant. The growth of the US and UK economies led to a surge in consumer demand. Global clothing exports grew faster than any other traded commodity. The world's textile companies were eager to invest.

This year, times are harder. In the past the machinery makers have been able to offset poor conditions in one market with buoyant business elsewhere. The global nature of the textile machinery market – which is in the hands of giant engineering groups rather than the textile producers – means that the latest advances in technology are available to any company, wherever it is based.

However, in the past year or so the whole market has been depressed as the effects of recession in one part of the world have been felt elsewhere.

The US recession is the chief problem. It has had a predictable effect on capital investment by the textile industry in that country. But it has also affected machinery sales to many of the Asian countries, notably to China, which depend on the US as their biggest single market.

At the same time, the political turmoil in eastern Europe has destabilised the textile industries in that region, thereby depriving the western European machinery makers of one of their more dynamic markets. Overall textile machinery sales to eastern Europe fell by 15 per cent last year and are almost certain to fall further this year.

Rotary screen printing at a Courtauld plant, Lancaster

Demand in western Europe, which has already been depressed because of the recession in the UK, has more recently been affected by the softening of the textile markets in other countries, notably in France.

This decline in global demand has created predictable problems for the engineering groups that dominate the international textile machinery field.

Western Germany, the world's leading exporter of textile machines, managed to increase its overseas sales by 3 per cent to DM7.3bn ($4.5bn) last year.

However the VDMA, the Frankfurt-based trade association that represents the industry, predicts a sharp downturn in exports this year.

Schlafhorst, the big German group, was taken over this summer by Saurer, a smaller Swiss company. Four years ago, around the time of the last ITMA, Schlafhorst itself had acquired Zinser, a German producer of ring spinning machines.

In Switzerland, which was the second largest textile machinery exporter in 1990 with overseas sales worth SwFr2.9bn ($2.1bn), some of the larger machinery makers are also experiencing problems.

Rieter, which is a world leader in spinning machinery, saw the turnover of its spinning systems division fall by 25 per cent to SwFr421m ($303m) in the first seven months of this year. It has been forced to shed labour and introduce short-time working.

Italy, the third largest exporter, saw its overseas sales fall by 4 per cent to L2,361bn ($2.0bn) last year. The Italian machinery makers saw their sales to China, for example, halve in value from L251bn in 1988 to L117bn last year.

However, ACIMIT, the Italian trade association, *remains* optimistic. It attributes the downturn to the normal cyclical trends associated with the textile industry made worse by the world recession and expects to see an upturn fairly soon.

The optimists at ACIMIT base their hopes for recovery on the expectation that the ITMA visitors will be so impressed by the latest innovations on offer that they will start to invest again.

Others in the industry are more cynical. They say that there is no real stimulus for textile companies to invest in new equipment. The momentum of innovation that transformed the textile machinery market in the 1960s and 1970s has not been maintained.

The record of innovation by the German, Swiss, Italian and Japanese engineering groups is nothing if not impressive. The latest air-jet looms made by Japan's Toyoda (which diversified to form the Toyota Motor Company) are three and a half times faster than the fastest shuttle looms.

The latest open-end systems are up to eight times faster than conventional ring frames. Speed increases in weft knitting have been no less dramatic. Today's machines run nearly 30 times faster than their forerunners in the 1940s.

Automation has also made major strides in the finishing industry to facilitate flexibility, quick response and smaller batch sizes. This enables the finishers to respond to the need for a faster service and to deal cost-effectively with smaller batch sizes.

Despite these impressive advances old-fashioned systems, such as shuttle looms, are still popular in the developing countries where capital is expensive but labour is cheap. Similarly ring spinning, still the most versatile spinning system, is enjoying a comeback, although like shuttle weaving it never went away.

The emphasis at this year's *ITMA* was the same as it was in Paris four years ago – to improve existing technologies to facilitate faster speeds, flexibility, greater reliability, automation, quick response, cost saving and safety.

These are the weapons that Western textile producers will need if they are to survive in the increasingly competitive environment of the 1990s. Whether they will be able and willing to invest in them remains to be seen.

Bunraku Puppets

QUEEN ELIZABETH HALL

At the end of *The Love Suicides*, Tokubei, a clerk in a soy-shop, kills the courtesan Ohatsu, whom he loves, and then stabs himself. We watch, wholly gripped by the tragedy, and believe – just as we believe the double death at the end of *Mayerling*. And yet, what we have seen are two large puppets, clearly held and manipulated by their operators, while a group of vocalists at the side of the stage keen and intone to the sound of a shamisen. Nothing could be more alien to humdrum concepts of "Theatre", yet nothing could be more theatrical. It is this intensely communicative aspect of Bunraku puppet drama – at the Queen Elizabeth Hall this week, then to be seen in Belfast and Nottingham – which is its especial quality.

Everything about Bunraku is artificial, save the emotions. The puppets do not ape life – except on certain obvious terms of articulated movement – but penetrate and transcend it. These homunculi are four feet tall, false in proportion (heads are small, so that the figures seems elongated and "out of drawing"), and their mask-faces are less stylised and communicative than those in Noh. At times their actions resemble the impotent rages of a baby in a parent's arms; at others, the mechanical signallings of a robot. The vocal style of the narration ranges from *sprech-gesang* to aria, by way of strangulated mewings and catarrhal barks, and must seem incomprehensible to Western audiences. But comprehension is never in doubt, nor the power of the vivid dramatic response between speaker and puppet.

The Love Suicides is the more considerable – longer, more emotionally varied – of the two pieces on view. It is a demonstration of consummate skill by everyone concerned, puppet-masters, reciters and musicians alike, and they number two artists who have been accorded that precious rank of *Living National Treasure:* the reciter Takimoto Sumitayu, and the puppeteer Yoshida Tamao. At one moment, Tokubei hides in a tea house to be near his beloved Ohatsu. We see him hidden under her robes, and in a moment of piercing feeling we watch him kiss her foot. We know Ohatsu's grief. We hear the falsetto chatter of two courtesans. We understand all the ingredients of a social tragedy, and learn to disregard the human presences which direct and impel the players. (Kenneth MacMillan's Japanese ballet *Rituals* contained a scene which showed two lovers similarly manipulated by *invisible* operators). And through the puppets' actions, both unreal and super-real, we savour the story as an essence of experience.

The shorter piece of the evening is an adaptation of a Noh comedy, *Fishing for Wives*. A Lord is granted a wish by a god, and fishes for a beautiful wife. His servant also tries his luck, and catches a true fish-wife. Again, transcendent skill makes the piece jovial and credible. No language barriers exist (and the programme book provides texts of the plays) since the narration makes character and incident as clear as the puppets' actions. It is great fun, and, like *The Love Suicides*, a demonstration of a marvellously refined art.

Clement Crisp

CINEMA

Irish soul with grace notes

THE COMMITMENTS
Alan Parker

LET HIM HAVE IT
Peter Medak

JULIA HAS TWO LOVERS
Bashar Shbib

I, THE WORST OF ALL
Maria Luisa Bemberg

The story so far, with minor embellishments. Hollywood-based British director Alan Parker, during a routine flight to England, falls out of his aeroplane and lands in Dublin. Here he is persuaded to make *The Commitments*, a low-budget comedy about an Irish soul band based on the bestselling novel by schoolteacher and 1991 Booker Prize shortlister Roddy Doyle.

Result: revelation. The film is funny, observant, wild, doleful and seraphic. We are prompted to wonder if Parker, after years of being ear-bashed by critics like me about the kind of films he should not be making – overwrought conscience-of-America stuff like *Mississippi Burning* and *Come See The Paradise* – has at last heard the message. Heaven forbid that he should admit it even if he has. A contrite Parker would be like a house-trained Rottweiler. He only got where he is today by melodramatically savaging almost every subject that came his way, from the Turkish penal system in *Midnight Express* to Vietnam war traumas in *Birdy*.

In *The Commitments* Parker has found a subject that savages him back, and the exchange of energy between artist and story is a delight. The more the director prepares to unleash his house-style hyperboles in depicting inner-city squalor and street poverty – early on we wonder if we are in Dublin or Beirut – the more Doyle's characters scamper across the canvas humanising the potentially holocaustic.

There is Jimmy the young band-founder (Robert Arkins), dreaming of wealth and Wogan appearances; singer Deco (Andrew Strong), discovered in drunken cry at a wedding and later bullhorning his way through the Otis Redding and B.B. King repertoires; Joey "The Lips" Fagan (Johnny Murphy), all tombstone teeth, religious bromides and memories of working with the Beatles; back-up singers Bernie, Imelda and Natalie; and a small army of mixed-sex teenagers who make up the band or swill around it in pub performances.

All praise to Parker for shaping the performances of a cast most of whom were picked from auditions after a newspaper advertisement. (Only Johnny Murphy and Bronagh Gallagher, who plays Bernie, are professionals). But then the actors here virtually by-pass acting, catching a ride on Parker's perpetual-motion staging which treats the jokes in the screenplay (Doyle with Ian La Frenais and Dick Clement) as fly-by asides. The bride's sister who responds to a young wedding guest's "You'll be next" with "Why? I'm not bleeding pregnant"; the bottle of Brown Sauce seized as a microphone by Jimmy's Dad for one of his mealtime Elvis solos; the bass guitar player all but electrocuted by a Deco pratfall; the Alsatian dog moved to frenzy by a Heavy Metal number.

The Commitments is so busy with these grace notes that Parker, blessedly, has little time for the portentous major chords that usually assault his audiences' eardrums. Only the urban decay backdrop and one dole-queue scene shot in wide-frame regimented monochrome as if out of *Metropolis* suggest Parker the preacher. Elsewhere, the film plays like a Bill Forsyth comedy injected with adrenalin: a fable about the absurdity of human dreams that never lingers on the tragedy of the subject but keeps sprinting after the comedy.

★

Did 19-year-old Derek Bentley, hanged for murder in 1952 after allegedly urging his friend Chris Craig to shoot a policeman during a rooftop break-in at a Croydon warehouse, ever utter the words "Let him have it, Chris"? If so, did he mean let him have the gun or let him have, straight from the barrel, the bullets?

Let Him Have It is directed by Peter Medak who polished to a gleam his crime movie credentials, postwar British division, in *The Krays*. Though recent media revelations have further confounded the confusing Craig-Bentley case and queried the rooftop cry which gives this film its title – Craig and others now deny it was ever said – the raw essentials of miscarried justice are here. So are beautifully raw performances: notably from Chris Eccleston as a gauche, flayed-featured Bentley, the boy whose history as an epileptic underachiever (IQ 66) was never mentioned during the trial. Mentioned but disregarded were a wealth of other mitigating circumstances, including the fact that Bentley was under arrest when the murder happened.

Since Bentley's still-campaigning sister acted as consultant on the film, sentimental special pleading could have deafened us. But it threatens to do so only near the end, where too many group shots of Bentley's family, huddled on the agonised hearthrug as the hanging deadline is reached, din home the already audible tragedy. Tom Courtenay's glumly plucky Dad, Eileen Atkins's fraught-faced Mum, Claire Holman's sister Iris merge griefs that were far more potent in isolation.

Elsewhere Medak's mobile camerawork, with its subtle swirls and tracks and cranings, and Neal Purvis and Robert Wade's crisply colloquial script turn the film into a *Woyzeck* for austerity-era Britain. Here as in *The Krays* is the hangdog poetry of postwar London, its urban dowdiness punctured by blood-red buses and Bisto posters. Here *too* is the ersatz-Hollywood gangland patrolled by pygmy Cagneys like Paul Reynolds's superb Craig, cocky even when half-drowning in his black coat and fedora. *Let Him Have It* has a powerful enough vision to play fast and loose with some of the story's facts without ever loosening its grip on the story's essential truths.

★

One must admire the pains taken by modern cinema to keep the flag of eroticism flying in an age when it is too dangerous actually to have sex. In Bashar Shbib's *Julia Has Two Lovers* the pretty heroine, played by co-screenwriter Daphna Kastner, spends all day flirting by telephone with a handsome-voiced stranger who has "accidentally" mis-dialled her number. By that "accidentally" hangs the tale's denouement. He may be a nice chap, he may be a cad. Plase stay on the line to find out.

Intimacies are spoken; orgasms are discussed; clothes are removed. The phone remains on pick-up even to transmit Julia's moans and groans when her yuppie boyfriend returns to ravish her briefly across the kitchen table.

I am making the film sound more pornographic than it is: mostly it is just talk. Portable phones on shoulders or taped to chins, Julia and Daniel (David Duchovny) housework, shave, bath, cook, shower, sunbathe while intellectually and emotionally undressing each other. Parodying the open-plan Californian life style, where minds and homes are both kept determinedly open to all comers, the film is a West Coast *sex, lies and videotape*: with much of that film's wit if also, late on when the "lovers" meet, some of its maudlin moralising.

The week's second woman-directed film is Maria Luisa Bemberg's *I, The Worst Of All*. From the Argentinian director of *Miss Mary* comes a nun's story with a difference. The heroine is sister Juana Inez de la Cruz (Assumpta Serna), real-life convent-dweller and poetess who outraged 17th century Mexico, or its church leaders, with her amorous verse and free religious views. Bemberg throws hints of atheism and lesbianism into the cocktail, including a somewhat heavy-breathing friendship between Sister Juana and Dominique Sanda's beautiful Vicereine. But the hints are as delicate as angostura.

Drawn from stories by Octavio Paz, this subtle, hermetic mood-piece is studio-shot right up to the sparkling polythene sea lapping outside the Viceroy's palace. Artificial framings of arches and doorways paint the world as a giant existential proscenium, but one that can never suffocate a free spirit. Banned from reading her books by Mexico's Archbishop, the heroine responds "I shall study in the sky, the grass, the kitchen." To the fertile human spirit – as those soul-loving Dubliners found in *The Commitments* – there is no such thing as stony ground.

Nigel Andrews

Scene from Alan Parker's funny, Dublin-based comedy 'The Commitments', based on Roddy Doyle's novel

The Pretenders

THE PIT, BARBICAN

Ibsen's *The Pretenders* is a kind of Norwegian *Macbeth* without the female lead. One can see why it goes down very well, and is frequently played, in Norway, for it is about the founding of the Norwegian nation – from warlords to king.

It is a big move, however, from Bergen, Oslo and Trondheim to even the small stage at the Barbican. This production by the Royal Shakespeare Company, directed by Danny Boyle, is strictly for Ibsen devotees only.

The history and the passion are there all right. So is the symbolism. "Norway," says the man born to be king, "is like a cathedral that still has to be consecrated ... a bit of ground that will become a people." Another line that no doubt sounds fine in its proper place is: "There can't be two kings of Norway." Well, for a time at the beginning of the 13th century there were. *The Pretenders* is about them fighting it out. The best man does not necessarily win, but at least Norway gets divine right under its belt.

The *Macbeth* comparison may be unfair, but it cannot be far away and must explain why some of the characters in this production are played with a Scottish accent.

There is also a great readiness to take to swords at the first opportunity in a way that would have done Macbeth proud. Why, one wonders not for the first time, do grown-up actors want to go in for this pointless violence? It should be skipped.

Macbeth has poetry to go with it. *The Pretenders* offers only some touches of the later Ibsen. For example, Skule, the king who does not make it, is not unlike the eponymous hero in *Brand*, which recently played at the Aldwych. There is some Ibsen pathos in scenes between parents and children. Yet, Norwegian nationalism aside, there is not a lot more except for the part of Bishop Nicholas.

This splendid intriguer was played by the late Kenneth Tynan, who knew a good part when he saw one, in a production at Oxford in 1947. Here the Bishop is Alan MacNaughtan who looks and talks exactly like Lord Deedes, the "Dear Bill" of the *Private Eye* letters and former editor of the *Daily Telegraph*. He comes back as a monk towards the end and without him there would not be much of a play.

I should warn that you will also have to put up with lines like "You've just lost Oslo" spoken almost as if Carruthers had just lost some outpost in Africa. Still, if you want to add to your Ibsen canon, you should see it. Like *Brand*, it shows how Ibsen loved the grand scale. The two pretenders are played by David Calder as Skule and Paterson Joseph as Haakon. Skule is by far the better role.

The small part of the bard, whom some say is Ibsen, is played by Colin Wyatt, but given surprisingly little prominence.

Malcolm Rutherford

Alastair Muir

Alan MacNaughtan and David Calder

Pecong

TRICYCLE THEATRE

Steve Carter's reworking of the Medea myth is sassy, sexy and sometimes downright rude. It meanders playfully around the beaten track, is written in such thick Caribbean dialect that it is sometimes hard to understand, but somehow it still manages to achieve a basic clarity of line and purpose. This is partly achieved through the bold, confident direction of Paulette Randall.

This is not Medea, the personal tragedy, but Medea the metaphysical revenge drama in which the spirit of West Indian woman carves her vengeance into the flesh of philandering man. Carter, an American, has teamed up with the black British composer Felix Cross to produce an adaptation set, like Cross's last musical *Glory*, at carnival-time.

The attraction of carnival to modern black dramatists lies partly in its licence for celebration and display, but also in its beating of a pre-colonial drum: the outlandish costuming and the abandonment hark back to African religion and ritual. This idea has been bandied about so much that it can become pat and superficial, but Carter makes it his own by juxtaposing the gregarious, colourful and virile carnival with a reclusive feminine mysticism that recalls the novels of Alice Walker.

The pecong of the title is a tradition of satirical calypso singing in which the competitors heap insults upon each other: illustrated through the crudely abusive sparring of Mediyah's braggart brother and her rasta lover, it is the epitome of male sexuality. Mediyah, played by Jenny Jules as a skinny pubescent girl, worships at a different altar. She is a witch by inheritance and by the design of her dead grandmother (Pat Bowie), a cackling, fleshly phantom in scarlet petticoats who drives her towards revenge against the male of the species.

She loses her power for love of Jason and finally regains it through her hatred of him, when he abandons her for the mute Sweet Bella Pandit, taking her twin boys with him. The deflationary wit of the piece – cleverly enshrined in the superb double-act of two women, Cecilia Noble and Jo Martin – enables it to grab the issues by the crotch: how, for instance, do male and female sexuality co-exist in a culture where men make a virtue of promiscuity?

Mediyah's sexuality overwhelms and affronts Jason (an egocentric and earnest Victor Romero Evans): she is neither virgin, like Sweet Bella, nor whore, like Cedric's floozies. Her honest passion sends him reeling backwards, crying: "I don't need no magic ... I only need me, me, me." In allowing his women to be funny and sexy, Carter brings us face to face with their anger.

Claire Armitstead

OBITUARY

Peter Heyworth

Peter Heyworth, music critic of *The Observer* for 36 years (until last June), has died at the age of 70. He followed William Glock in the post, and established a reputation no less formidable than his distinguished predecessor as a champion of the new – international no less than local – in an era when far more exclusive, Establishment views of contemporary music still tended to hold sway.

No less important, Heyworth maintained his position throughout the full period of his newspaper duties as one of the most stimulating of all arts critics, whose liveliness and receptivity (which often meant a readiness to be surprised) of mind and bracing wit of expression made his Sunday columns required reading for the entire British musical world.

Educated at Charterhouse and Balliol, Heyworth followed up his studies with time spent in postwar Germany, at the University of Göttingen. This left its mark: indeed, it was his fluency in German and his awareness of the cultural issues posed, there and elsewhere in Europe, by the war and its aftermath that were to lend his writing its particular stamp. Composers like Schoenberg and his descendants, dismissed out of hand by the Little-Englander mentality, were now treated with great respect – though never blind reverence – as part of the larger cultural picture; and it was natural, when at the start of the 1960s a whole new generation of British composers with a similar set of artistic preoccupations came to prominence, that Heyworth should figure among their most ardent advocates.

It is a touching fact that his penultimate piece for *The Observer* was a typically judicious review of the newest opera, *Gawain*, by one of the leaders of that British generation, Birtwistle. His sympathies for Boulez, Henze, Stockhausen, Berio and other Europeans were documented; and in opera, he was able to keep abreast of controversial new developments in production with both alertness and sound common sense.

But, though (like all good critics) he had his blind spots, Heyworth could also discern and describe merit in composers outside the predictable enclosures of the avant-garde; a readiness to change his mind, and to admit to having done so, was part of what made his views so unfailingly refreshing to encounter.

Among his non-newspaper writings was the first part of a biography of the conductor Otto Klemperer; this stands as one of the most wide-rangingly informative and perceptive achievements of its kind. He was still at work on the second part when he died.

Max Loppert

INTERNATIONAL ARTS GUIDE

TODAY'S EVENTS

■ ATHENS

Concert Hall 20.30 Nicos Tsouchlos conducts the Karlsruhe Kammerphilharmonie in works by Henze and the Greek composer Thanos Mikroutsikos (722 5511)

■ BERLIN

Staatsoper unter den Linden 20.00 Horst Stein conducts the Berlin Staatskapelle in a concert of music by Beethoven and Reger. Tomorrow: Swan Lake. Sat: Les Contes d'Hoffmann. Sun: Pelléas et Mélisande staged by Ruth Berghaus (East Berlin 2004 762)
Deutsche Oper 19.30 Neil Shicoff sings Rodolfo in La bohème, also Sun. Tomorrow: ballets by Neumeier, Van Manen, Béjart and MacMillan. Sat: Die Zauberflöte (West Berlin 3410 249)
Schlosspark-Theater 20.00 Mozart's Der Schauspieldirektor staged by Alfred Kirchner. Runs till Nov 26, next performance tomorrow (West Berlin 7931 515)
Schauspielhaus 20.00 Michael Schonwandt conducts the Berlin Symphony Orchestra in music by Weber, Richard Strauss and Mahler. Tomorrow: Arnold Ostman conducts Mozart. Sun and Mon: Gunter Wand conducts Bruckner's Fifth Symphony (East Berlin 2272 261)

■ HAMBURG

Staatsoper 19.30 Gerd Albrecht conducts La Damnation de Faust, with Jeanne Piland, Keith Lewis, Franz Grundheber and Harald Stamm. Sat: Harry Kupfer's production of Werther. Sun: first night of Tony Palmer's new production of Simon Boccanegra, with a cast led by Bernd Weikl, Yevgeni Nesterenko and Maria Guleghina (351555)
Deutsches Schauspielhaus 21.00 Tonight's performance is a concert by Wolf Biermann marking the first anniversary of German unification. Tomorrow and Sat: first German production of Brian Friel's Dancing at Lughnasa, directed by Michael Bogdanov and designed by Chris Dyer. Sun: Shakespeare's Romeo and Juliet (248713)

■ LONDON

MUSIC
Royal Festival Hall 19.30 Klaus Tennstedt conducts the London Philharmonic in Beethoven's Eroica Symphony and Triple Concerto, with Gidon Kremer, Mischa Maisky and Martha Argerich. Tomorrow: Owain Arwel Hughes conducts Sibelius' Second Symphony. Sat: Andrew Litton conducts Bournemouth Symphony Orchestra in Mahler's Fifth. Sun: Giulini conducts Verdi's Requiem. Mon: Tennstedt conducts Wagner (071-928 8800)
Coliseum 19.30 David Atherton conducts Tim Albery's production of Billy Budd. Tomorrow: La boheme. Sat: The Mikado (071-836 3161)
THEATRE
National Theatre
David Hare's new play Murmuring Judges starts previewing at the Olivier tomorrow (Press night next Thurs). The play, directed by Richard Eyre, deals with a young lawyer's initial encounters with a criminal justice system which is cracking at the seams. Tomorrow also marks the start of a 14-night run of Kabuki performances in the Lyttelton, as part of the Japan Festival (071-928 2252)
Royal Shakespeare Company
Oscar Wilde's rarely seen comedy A Woman of No Importance, directed by Philip Prowse, has joined the RSC repertory in the Barbican main theatre. Danny Boyle's production of Ibsen's political drama The Pretenders has just opened in The Pit (071-638 8891)
West End theatre
A new production of Samuel Beckett's Waiting for Godot, directed by Les Blair and designed by Derek Jarman, has just opened at Queen's, with Rick Mayall, Adrian Edmondson and Christopher Ryan (071-494 5040). Anouilh's Becket is previewing at the Haymarket (Press night on Mon), in a production by Elijah Moshinsky starring Derek Jacobi and Robert Lindsay (071-930 8800). Other recommended shows include Timberlake Wertenbaker's new play Three Birds Alighting on a Field, directed by Max Stafford-Clark at the Royal Court (071-730 1745), and Vanessa Redgrave as Isadora Duncan in Martin Sherman's play When She Danced, at the Globe (071-494 5065)
For ticket information about all West End shows, phone Theatreline from anywhere in the UK: Plays 0836 430959 Musicals 0836 430960 Comedies 0836 430961 Thrillers 0836 430962

■ MILAN

Teatro Lirico Béjart Ballet Lausanne opens a short season tomorrow at 21.00, with performances daily till next Fri, except Mon. The programme consists of four Béjart works: Le Cercle, Sonate à trois, Sept danses and Alleluia (876889)

■ MUNICH

Philharmonie 20.00 Colin Davis conducts the Bavarian Radio Symphony Orchestra and Chorus in Verdi's Requiem, with Carol Vaness, Florence Quivar, Dennis O'Neill and Robert Scandiuzzi, repeated tomorrow (48098 614)
Staatsoper 19.00 Agnes Baltsa stars in the Ponnelle production of L'Italiana in Algeri, repeated on Sat. Tomorrow: Boris Godunov. Sun: Bavarian State Ballet in Riccardo Duse's production of Cinderella (221316)

■ NEW YORK

MUSIC
Avery Fisher Hall 20.00 Yuri Temirkanov conducts the New York Philharmonic Orchestra in Prokofiev's Lieutenant Kijé Suite, Rimsky-Korsakov's Scheherazade and Rakhmaninov's Second Piano Concerto, with the Georgian pianist Elizo Virzaladze. Repeated tomorrow, Sat and next Tues (875 5030)
Metropolitan Opera 20.00 James Levine conducts Don Giovanni with a cast including Ferruccio Furlanetto and Ruth Ann Swenson. Tomorrow: Die Zauberflöte. Sat matinee: Un ballo in maschera. Sat evening: Idomeneo (362 6000)
THEATRE
● Macbeth: a Riverside Shakespeare Company production with Stephen McHattie as Macbeth, Jennifer Harmon as his Lady and Richard McWilliams as Macduff, plus a cast of 20. Daily till Oct 27 (Playhouse 91, 316 E. 91st Street, 831 2000)
● Babylon Gardens: Timothy Hutton and Mary-Louise Parker star in Timothy Mason's look at couples battling to bridge the gap between haves and have-nots in the crush of Manhattan's Lower East Side. Directed by Joe Mantello. Daily till Nov 13 (Circle Rep, 99 Seventh Avenue South, 924 7100)
● The Baby Dance: Jane Anderson's play, directed by Jenny Sullivan, stars Linda Purl and Stephanie Zimbalist, and tells of two couples who strike a deal for the adoption of an unborn child. Previews till Oct 16, except Mon (Lucille Lortel, 121 Christopher, 974 8782)
● Ticketron answers inquiries and sells tickets (246-0102)

■ PARIS

Palais Garnier 19.30 Giselle staged by Patrice Bart and Genia Polyakov, also tomorrow, Sat and Sun. Next week: four evenings of pas de deux extracts danced by Etoiles and younger soloists (4017 3535)
Opéra Bastille 19.30 Myung-Whun Chung conducts Jean-Pierre Miquel's new production of Idomeneo, with a cast led by Thomas Moser and Inga Nielsen. Runs till Oct 26, with next performances on Sat and Tues (4001 1616)
Théâtre des Champs-Elysées 20.30 Hans Zender conducts the Orchestre National de France in works by Berg and Bruno Maderna, with Heinz Holliger oboe. Tomorrow: Ravi Shankar. Sun at 11.00: members of the Salzburg Mozarteum Orchestra play music by Rossini and Mozart (4720 3637)
Châtelet 20.30 Wynton Marsalis and his jazz band. Tomorrow and Sun: Jeffrey Tate conducts Adolf Dresen's production of Lulu. Sat: William Christie conducts Les Arts Florissants in a concert performance of Campra's Idomenee (4028 2840)

■ STRASBOURG

Palais des Congres 20.30 Theodor Guschlbauer conducts the Strasbourg Philharmonic Orchestra and Chorus of Radio France in La Damnation de Faust, with David Kuebler, Gilles Cachemaille, Hélène Perraguin and Stéphane Imboden. Repeated tomorrow (8837 6777)

■ VIENNA

Musikverein 19.30 Rafael Frühbeck de Burgos conducts the Vienna Symphony Orchestra in Mozart's Posthorn Serenade and Stravinsky's The Rite of Spring. Repeated tomorrow, Sat and Sun (505 8190)
Konzerthaus 19.30 Eliso Bolkvadze plays piano sonatas by Chopin and Prokofiev. Tomorrow: Gianluigi Gelmetti conducts the Stuttgart Radio Symphony Orchestra in music by Mozart, Beethoven and Hindemith (7124 6880)

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CNN
0730-0800 Moneyline
1230-1300 Business Morning
1330-1400 Business Day
2000-2030 World Business Today – a joint FT/CNN production with a review of business stories
2300-2330 World Business Today
0100-0130 Moneyline
Superchannel
2130-2200 (Tues) East Europe Report – weekly financial report from FTTV.
2130-2200 (Wed) FT Business Weekly - the latest round-up of business news with James Bellini and Debbie Middleton.
2130-2200 (Thurs) Talking Heads
Sky News
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SATURDAY
CNN
0730-0800 Moneyline
0900-0930 World Business This Week - a joint FT/CNN production
1540-1610 Moneyweek
1900-1930 World Business This Week
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Thursday October 3 1991

Ever wider and deeper

THE philosophical arguments between those who want to "deepen" the European Community before widening it and the proponents of early enlargement at all costs have become less acute under the pressure of events. With the departure of Mrs Margaret Thatcher, even as reluctant a "deepener" as Britain has become reconciled to the idea that the Community is moving towards some kind of monetary and political union. The question is no longer whether, but when and how.

At the same time, the "deepening first" school, headed by such powerful advocates as Mr Jacques Delors, the president of the European Commission, and France, has been forced to widen its horizons by the giddy pace of political developments in eastern Europe. The two camps, while not abandoning their fundamental positions, now appear to have accepted that the processes of widening and deepening must, to some extent, go hand-in-hand.

Indeed, with some of the Scandinavian countries and Austria knocking on the Community's door, and eastern Europe in disarray, it is not possible for the EC to look inward. A perpetuation of the division of Europe beyond the ending of the Cold War would be contrary to the Community's own ethos.

The Treaty of Rome specifically foresees its progressive extension to other European countries and its membership has already grown from six to 12 since its foundation in 1958. Enlarging the EC's membership should therefore be its clearly-stated long-term objective, even if the backward state of some eastern European economies necessarily requires more or less lengthy transitional agreements.

Neutral policies

No such economic development hurdles stand in the way of membership of the European Free Trade Association (Efta) countries. The main obstacle to full membership in the past has been the perception of some Efta countries such as Sweden, Austria and Switzerland, that their traditional policies of neutrality would have to be abandoned if they became members of a Community whose avowed long-term objective was a common foreign and security policy.

Their reluctance to do so was behind the European Commission's plan to create a wider European Economic Area embracing both the EC and the Efta countries. This would permit the latter to benefit fully from the single European market, without participating in the Community's political and defence activities.

Second thoughts

However, there is no guarantee that an agreement, for which a deadline of October 21 has now been set, will be reached. Quite apart from the technical difficulties which have arisen, some of the Efta countries have had second thoughts. Austria and Sweden have applied for full membership, having discovered that their capacity to influence EC decisions would be much less within the wider economic area than as Community members, and that neutrality looks a smaller obstacle to EC membership in the post-Cold War climate than it was before.

The recent conflict in the Gulf and events in Yugoslavia have reinforced the position of those who want the Community to have some kind of common foreign and security policy. Yet it is certain that, following the rejection by the Twelve of the Dutch plan for political union, the Community will adopt a looser form of political union than might otherwise have been the case. That should make it easier for not only Austria and Sweden, but most of the other Efta countries, to realise their membership aspirations.

Although an enlarged Community will certainly face new difficulties of organisation and procedure, these cannot be allowed to stand in the way of enlargement. This should be as prompt as negotiations reasonably allow for Efta applicants. For eastern European countries, association agreements with varying periods of transition to full membership represent the best way forward. Flexibility and imagination will be required on all sides.

This is the third of a series on the future of the European Community.

Death and the taxman

THE IDEA that reducing inheritance tax might be an election-winning pledge for the Conservatives seems faintly bizarre. After all, the tax affects the estates of fewer than one in 20 people.

Certainly the threshold at which the tax is charged – currently £140,000 – should be kept under review. Otherwise fiscal drag can extend its reach further down the wealth scale than is wise from the point of view of efficiency or practical politics. But even given the rise in house prices in the 1980s, inheritance tax is unlikely to afflict many of the C2DE voters who have bought their council houses.

It would be a pity, however, if the only UK tax on wealth were to be greatly diluted or even abolished simply for reasons of electoral expediency. There is a clear case for including wealth in the tax base on equity grounds: the wealthy are better able to pay tax than the less wealthy. And on efficiency grounds, the broader the tax base the lower tax rates in general can be, minimising the distortions caused by the tax system. If income is taxed but wealth is not, there is a disincentive to working and to investing in income-yielding assets.

In practice, it is simplest to tax wealth once in a generation, when it changes hands on death. An annual wealth tax creates problems in valuing assets such as pension rights, for example; compliance costs are high; and evasion is not difficult – it becomes a tax on visible and immovable assets. By contrast, the occasion of death requires that wealth be identified and valued for probate. It is a cheap tax to collect because it is effectively self-assessed (by the executors). There is an added advantage in that since the tax falls on those who enjoy the windfall of inheritance, they usually find themselves better off despite the liability.

Easy avoidance

But inheritance tax is also too easy to avoid. Since only bequests and gifts made in the seven years before death are taxable, gifts made more than seven years before death are normally outside the scope of the tax. Paying it is almost voluntary for those who can afford professional advice, with the burden falling on those who cannot (yet who may be asset-rich), people who die before their allotted three score years and ten, and parents who don't trust their children sufficiently to give away their wealth in advance.

Every other OECD country with an inheritance tax deals with this by including all lifetime gifts within the tax net. The administrative burden can be minimised by the sort of sizeable exemptions which already exist for inheritance tax, requiring only exceptional gifts to be reported. Indeed, the exemptions and thresholds should be set explicitly to ensure that the tax continues to impinge on no more than 5 per cent of the population.

Accessions tax

A more radical reform would be to move towards an accessions tax, levied on the recipient rather than the giver. The tax bill on a particular gift or bequest would then depend on the amount of gifts the recipient had received from all sources. This would offer an incentive to distribute wealth more widely – a contribution to Mr Major's aim of a more meritocratic society in which everyone starts off life with an equal-ish chance. And for so long as the direct tax system is based on income rather than expenditure, it is more logical for gifts to be taxed as a form of income in the hands of the recipient.

Whatever the form of a tax on gifts and inheritance, a settled fiscal regime is necessary for it to be effective and to remove any incentive to speculate on future tax changes. Taxpayers should be able to plan for the future with reasonable expectations that the rules will not be changed on a political whim. All-party agreement is needed on the broad structure of such taxes, leaving governments free to vary rates and exemptions according to their preferences. For that reason alone, it would be regrettable if a third reorganisation of death duties in 20 years were to be undertaken as part of an electioneering process, which could only prompt opposition commitment to yet another round of reform.

Quentin Peel reviews German progress – one year after reunification

After joy the angst

The autobahn from Hamburg to Berlin sweeps past the decrepit old concrete border post, looking for all the world like an abandoned petrol station.

A few miles further on, you meet the east German equivalent of a motorway service site: a couple of simple stalls erected illegally in a lay-by to provide hot drinks and sausages to passing travellers.

The road signs have been westernised already. So have the rubbish bins. It comes as a bit of a shock when a Soviet helicopter clatters overhead, looking for its military base.

Today, one year after reunification, much of the inheritance of the former German Democratic Republic is being consigned to those rubbish bins with almost indecent haste. The guidebooks already gloss over 40 years of communism as if they were a hiccup of history. All ideology has been expunged, and it is permissible once more to celebrate the centuries of good Christian rule and petty princedoms.

And yet the process of reunification, greeted with such joy and emotion on both sides of the German border just one year ago, is proving painful in the extreme. There is bitterness in the west at the cost, the rising taxes, and the apparent ungratefulness of the *Ossis* for their liberation. There is bitterness in the east at the economic collapse, the unemployment, rising crime, and patronising attitude of the liberating *Wessis*.

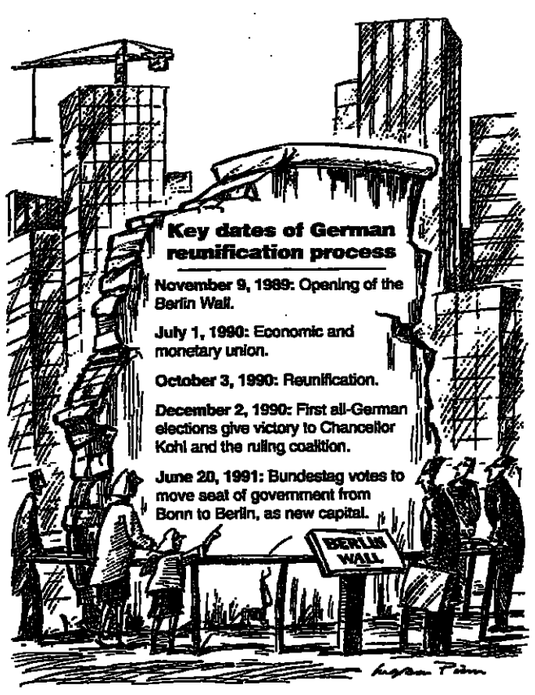
"Perhaps we should have left the Wall where it was," a dignified old pensioner declared over her garden gate in Bonn yesterday. "At least then they could have shown what they could do on their own, and open up the border when they were ready for it."

The same thought screams out from graffiti on the *Strassenbahn* in East Berlin: "Bring back the Wall!" It is a depressing but perhaps inevitable reflection on the trauma of instant reunification of two states which had deliberately grown apart for 40 years. For unification has not been a compromise at all, but an overwhelming victory for the western way of life – and it hurts.

"All too often we are left with the abiding impression of those [western] officials who behave in this country just as the British once used to behave in India," says Mr Conrad-Michael Lehment, economics minister of the state of Mecklenburg-Vorpommern, a liberal Free Democrat, but nonetheless an outspoken critic of the western way of winning. "The worst of all are those self-proclaimed missionaries who have come to our country to deliver us from our political sins, and to lead us to the true path. Both types will fail sooner or later, but not without causing considerable political damage."

Ossis would recognise the justice of his criticism. But *Wessis* equally have a point. "There is quite simply nothing worth preserving of the old system," according to one young western economist. "It was totally corrupt, and totally inefficient. There is no point in pretending otherwise."

The past year has been a painful process of learning just how deep the differences had become between the two halves of the divided Germany, and how great the divide is to be overcome. Indeed, some of the differences have actually got worse.



In May 1990, shortly after the communists were defeated in east Germany's first free elections, no fewer than 79 per cent of easterners polled by the Allensbach opinion research institute declared that democracy was the best form of government. In April this year the number was down to 70 per cent.

When the question was asked if they were happy with democracy "as we have it in the German Federal Republic", only 42 per cent of *Ossis* were positive by November 1990 (five months after economic and monetary union). By July this year, that proportion was down to less than one-third. Asked if they would defend the existing "social order", two-thirds in the west said yes, and only 44 per cent in the east.

And yet for all the noisy complaints on both sides, and the obvious economic hardships in the east, things are moving on the ground.

Every village you drive through in the eastern countryside shows obvious signs of local activity. Almost every sixth home is getting a facelift, a new coat of paint, a new roof, or an extension. The roads and pavements are being repaired. Private gardens and allotments, never destroyed by the communist system, are being weeded and watered.

In every town the drab shops of the state trading system are making way for private traders – although not always representing capitalism's most impressive exports. Amusement arcades and video rental stores jostle with fashion shops, new supermarkets and electrical goods companies. In Schwerin, the capital of Mecklenburg, for example, the number of new shops has more than doubled in the past four months.

The question today is whether, thanks to the massive injection of west German cash (DM80bn this year alone, according to the Finance Ministry), the east can hope to, or indeed wants to, emulate the West German economic miracle, at least in the medium term. Behind that question lies another: whether the east will recover, but only as a conglomeration of subsidiaries of western big business; or whether it will be able to revive its own entrepreneurial class, its *Mittelstand*, on which so much of western prosperity is based.

Mr Lehment, whose own family used to run a distillery in Rostock, admits that the eastern *Mittelstand* was devastated by 40 years of communist rule. "The *Mittelstand* is practically non-existent," he says. "It was completely destroyed by the Kombinat-culture (of gigantic state monopolies.) That completely destroyed the economy, and now we must turn it upside down."

He sees the challenge as a psychological one above all. "We need to establish a civil society in people's heads, so that an economy can function at all," he says. "It was so nice, before, to get orders from above. If we don't get to the point where people are convinced in themselves of the need to transfer to a social market economy, then we will never do it. It is an inner change we need."

There is some evidence that it is happening, perhaps faster than one might think. Deutsche Bank, that bastion of west German capital, points to a rebirth of the *Mittelstand* from very feeble beginnings. Before the Wall came down, about 1 per cent of GDR industrial production came from enterprises employing fewer than 100 workers, according to Dr Herbert Zapp, the Deutsche Bank board member responsible for cultivating small businesses. Between January 1990 and July 1991, no fewer than 380,000 small businesses were registered in the new *Bundesländer*.

In Schwerin, one example is the Burth family, which has returned from Hamburg to reclaim its former drapery business from the state. Mr Heinrich Burth (Heinrich the Third, he calls himself) fled with his father in 1952 when their family stores were expropriated. He now has most of the business back, and is fighting to re-establish ownership of the buildings. He employs 22 staff, and has invested some DM800,000 in a complete refit of the shops in Schwerin and neighbouring Wismar. And he reports a booming business in textiles, curtains and carpets, with turnover doubled to DM2m in the first year.

"The *Mittelstand* here in Schwerin is growing from week to week," he says. Why did he come back? "For sentiment. And because my children would not have forgiven me if I had not done it." But he is confident of making good money too. "We will be in the black in 18 months. I don't have any doubt about that."

The other sort of small entrepreneur is more home-grown. In Wittstock, down the road to Berlin, three former managers of a state construction company have taken over one part of the enterprise as a limited company. They have borrowed about DM1m to do so. Now with a construction boom going on, they have all the work they can handle – and reliable supplies of building materials to carry it out.

"Of course we are worried at the debt," says Reimut Krüper, the 40-year-old former director, now one of three partners. "We will owe money for 20 years. But I did not have any choice. Under the old system, as a construction engineer, I was running the business. If I want to do the same today, I have to do it myself."

The chances are that it will work, although thanks in good part to the massive western assistance. Turning round the big industrial concerns of Dresden, Leipzig, Halle and Chemnitz will take much longer. There may be a real legacy of bitterness that is left.

In the end, the reunification of Germany will work, thanks to the wealth of the west. But that is certainly part of the problem, as well as the solution.

Car deal in high gear

Kevin Done on the ambitious Honda-Rover relationship

The collaboration between Honda and Rover is fast developing into the most ambitious relationship ever attempted between a Japanese and a European car maker.

The memorandum of understanding disclosed by the two companies yesterday is a dramatic route map for the 1990s.

It is designed both to give Honda a European presence to rival its bigger domestic competitors, Toyota and Nissan, and to provide Rover with a chance to transform itself into one of the most productive car makers in Europe – an astonishing prospect for a company that was, in the 1970s and 1980s, the sick man of the European motor industry.

The two companies are:

- linking together in three new product programmes;
- embarking on a joint strategy for purchasing and component supply for the expanded Honda and Rover model programmes to be built in the UK;
- formalising links for Rover to gain access to Honda plants in Japan and in north America to enable it to learn more about Japanese engineering and production processes and thus accelerate its own efficiency programmes.

Such progress is vital as Europe becomes the battleground of the world motor industry in the 1990s.

The first wave of Japanese car plants is under development – with the UK as the prime location – and the Japanese are already showing that their initial assembly and engine plants will be followed by an increasing local capacity for design, development and engineering.

The yawning gap between the Japanese and the Europeans – in everything from efficiency and productivity in design, development, manufacturing and distribution, to the quality and reliability of the finished product – means the Europeans must improve if they are not to lose out.

For Rover uncertain winds may be blowing around the future ownership of its parent company, British Aerospace, which holds an 80 per cent stake in the car maker, but at the level of industrial strategy the die is now firmly cast. Rover's development is inextricably tied to Honda, and yesterday's announcement makes its takeover by any other car maker hard to imagine, unless Honda withdraws.

Only yesterday it become clear, however, how the two companies plan to develop through the 1990s. Honda is becoming more the master of its own destiny in Europe even as its links with Rover become closer.

If Rover fails to make the leap in the 1990s to world-class levels of quality, productivity and efficiency, Honda is taking out an insurance policy to allow it to go forward alone. If Rover makes it, however, there are rich pickings for both in enormous shared economies of scale.

Unlike the present arrangements, where part of Honda's production is carried out by Rover at its Longbridge plant, Honda is now set eventually to produce all its cars in Europe at its own plant in Swindon in southern England.

This should remove the risk of experiencing quality and productivity problems at Rover and put it on a par to compete with Nissan and Toyota. They will be producing all their cars on greenfield sites, unburdened by any legacy of industrial woes.

When Honda's £300m Swindon plant was announced in 1989 – the first cars are set to roll off the assembly line in late 1992 – half the output was to have been produced under a Rover badge. Now Rover will produce its share of this car range at its own Cowley, Oxford, plant. When the new generation Honda Concerto/Rover 200/400 is ready for launch in a couple of years, the Honda versions will be made at Swindon, not at Longbridge as now.

This means that the Honda plant will begin to produce two ranges and it immediately opens the prospect of its production capacity expanding beyond the announced 100,000 cars a year.

The recent agreement between the European Commission and Japan on the vexed issue of Japanese car sales in Europe means, in effect, that Japanese growth in Europe must come from local European-based production. Yesterday's deal with Rover immediately frees more capacity for Honda in the UK.

At the same time, however, Honda will continue to enjoy the economies of scale inherent in its relationship with Rover; and it will also have time to develop its production in step with the expansion of its European dealer network.

Honda plans to increase its European dealer network to about 2,000 by the mid-1990s from close to 1,500 at present. Over the same period it aims to increase its European car sales to some 250,000 from 160,000 last year.

Through the collaborative product programmes a joint supplier base can be established, under Honda leadership, to maximise economies of scale and achieve world-class quality and cost levels. At the same time Honda will use Rover's £58m investment in body and pressing facilities in Swindon, which will be Honda's key European supplier for metal panels.

The daunting goal for Rover through its relationship with Honda is, in the words of Mr George Simpson, chief executive and chairman-elect, no less than "getting in shape for achieving world-class performance with world-class products during the 1990s".

OBSERVER

Malleable morality

■ Italian tax-paying habits bear great similarity to Roman Catholicism. Sin as much as you like, eventually forgiveness will come along.

Rino Formica, finance minister, concedes that many Italians are getting away with unpaid taxes. He is trying to steer through a tax amnesty – the second since 1982 – in order to recover some of the billions of lire notionally owed by Italians to the Treasury. In return, says Formica, bank secrecy, the active ally of every non-taxing paying Italian, will be loosened.

Gianni Agnelli, the Fiat boss who feels obliged to opine on everything, describes this carrot-and-stick approach as "aesthetically and ethically ugly". He has a point; that those people who have failed to pay taxes between 1986-90 should now be off the hook, possibly having to make only limited payments, certainly takes some swallowing.

One Italian paper regards the amnesty as a "slap in the face for all those who have honestly paid their taxes".

Meanwhile, the "smart boys" who have evaded taxation get off scot-free. On the other hand, an opinion poll just published suggests that 40.2 per cent of Italians believe tax evasion is not a sin.

Behind the moralising outrage lies a question which the authorities would dearly love answered. Will the smart boys reckon that the game is now up and behave differently in future? The answer perhaps depends upon whether you believe in faith or history.

Euro gongs

■ London's City lawyers are basking in the reflected glory of one of their number, following the French government's bestowal of one of its highest civil honours on Peter Alfandary, managing partner of the firm Warner Cranston. Alfandary receives the medal of Chevalier dans l'Ordre National du Mérite "for services rendered in the field of Anglo-French commercial and legal relations".

Meanwhile, the Knight Commander's Cross of the Order of Merit has just gone to two fellow Britons in Brussels – David Williamson, the Commission's secretary general and Alan Donnelly, Labour MEP for Tyne and Wear. The medal, almost as big as the title that goes along with it, was given them by the German government for their work in incorporating enlarged Germany into the EC.

Polish poser

■ The vacancy at the head of the NBP, Poland's central bank, remains unfilled, waiting for president Lech Walesa to choose a successor to Grzegorz Wojtowicz, now under arrest on charges of negligence.

But while the NBP is without a captain, it has an embarrassment of riches in its banking supervision section, where two directors are now eyeing each other across a desk, waiting for the other to blink.

One is Tomasz Swiackiewicz, the head of banking supervision. Swiackiewicz, sacked by Wojtowicz in July, last week heard a court nullify that dismissal. This week he duly turned up for work.

The other is Stanislaw Bereza, who has been advising the finance ministry under the British government's Know How scheme, a fund of £50m to help Poland build a market economy. Bereza was made head of banking supervision by Wojtowicz in July.

The bank says that Bereza is the real head of supervision; the court can only pronounce a dismissal right or wrong, but cannot force the bank to give Swiackiewicz his old job back.

"How happy are you I'll be leaving you alone till next year?"

Fire man

■ It isn't often an Englishman gets to rescue a European company, but that is precisely what Peter Carr, former Debenhams joint managing director, did on arriving in Spain in 1988, when he took control of the continental jewel in the Mountleigh group's crown – the Galerias Preciados department store chain.

Galerias made a £58m loss in 1987 but Carr turned that into trading profits by 1990. Carr's replacement is an American, Michael Babcock.

Cynics have accused most of the recent non-Spanish owners of Galerias of only wanting it for the property portfolio. Carr thinks Nelson Peltz and Peter May, Mountleigh's US owners, are different; they are "entrepreneurs who invest in undercapitalised businesses and then sell them," he says. "This is no property play."

Carr intends staying in Spain. "I am a European," he declares. "My heart and my family are here and besides, I smoke."

Last word

■ Flushed with the success of Neil Kinnock's speech to Britain's Labour party conference on Tuesday, party strategists look forward to tomorrow's closing rally. Usually the party leader addresses the conference just once – officially to present the annual parliamentary report.

Unkind officials say that speech normally must be early in the week, so that a very public grip could be taken over a troublesome party.

But this being Labour's last conference before the general election, it must end with a bang. Razzamatazz and hymn singing will not be enough.

Watch, therefore, for the well-prepared but – naturally – spontaneous calls for a few words from Kinnock. He might just have a last-minute message for the electorate.

Just so

■ Perhaps the Bangladesh High Commissioner to London knows more about Linda Chalker, Britain's Overseas Development Minister, than we do: he last week presented her with a prayer mat, which is now carefully positioned in front of her desk.

Clearly Chalker feels the burden of her duties; she also keeps ready to hand Rudyard Kipling's "Just So" stories, finding the following lines especially pertinent:

"She keeps ten million serving-men,
Who get no rest at all!
She sends 'em abroad on her own affairs,
From the second she opens her eyes –
One million Hows, two million Wheres,
And seven million Whys!"

ECONOMIC VIEWPOINT

What to make of the money slowdown

By Samuel Brittan

Mainstream economic forecasts normally predict a return towards trend growth after a period of recession or slowdown. The well-leaked IMF World Economic Outlook – to be published officially next week before the annual meeting in Bangkok – is no exception. It will show real gross domestic product growth in the main industrial countries combined, dipping to just under 1 per cent in 1991, but then recovering to almost 3 per cent in 1992.

It will also show average inflation edging downwards from 4½ per cent this year to 3¾ per cent next year, with a continued downward edging over the medium term.

The full document is bound to contain some warnings against the downside risks. But these are more than balanced by the usual exhortation that the monetary authorities need to be "vigilant against any resurgence of inflationary pressures".

The net effect of such playing safe will be a set of projections of little use to man or beast. As the IMF Outlook will have spent several weeks being crawled over by member countries, it will be less up-to-date and more mealy-mouthed than independent private forecasts.

What can go wrong with this picture of moderate growth with relatively little inflation? The clue is supplied by the massive slowdown in world monetary growth.

There is a suspicious number of special factors and coincidences at work in too many countries

Let us start with the UK. The annual growth rate of the Treasury's favoured indicator, M0, is only slightly below the middle of the official target range. But now look at the more detailed pattern. The more recent the period, the slower the growth rate. Over the past 12 months it comes out at 1.6 per cent, over the past six months 0.7 per cent at an annualised rate, and over the past three months *minus* 0.2 per cent.

On their own, I would not be too worried by these M0 figures, which represent almost entirely cash in the hands of the public, and at times have been seriously misleading. But they should be examined together with the much broader measure, M4, which includes nearly all bank and building society deposits. This shows a similar pattern, with an annualised rise of only 0.9 per cent in the past three months. Even the 12-month rate of increase is, at 7.2 per cent, much the lowest since the 1970s.

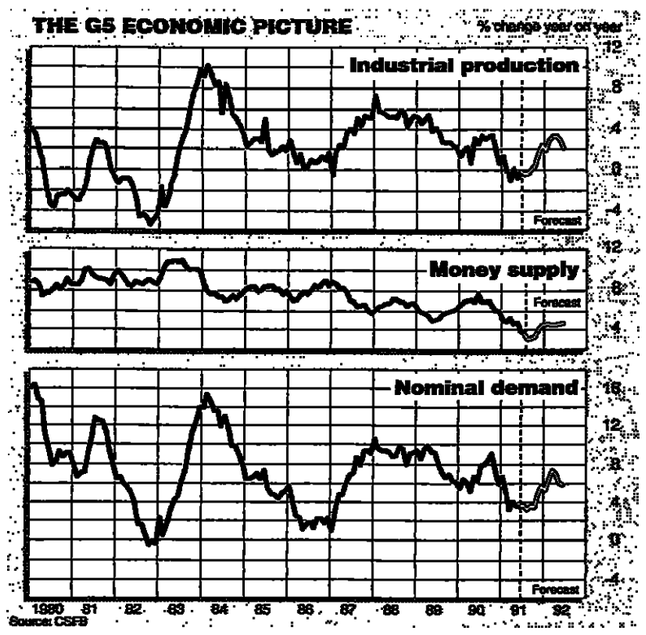
There are two mistakes to avoid about the money supply. One is to rely slavishly on one particular measure of it, followed by a favourite guru, and then attribute all the world's ills to the inability or unwillingness of central banks to keep within appropriate guidelines. The second error is to ignore it altogether or to explain away everything that it appears to show.

Even so, the monetary trends just mentioned could be taken in their stride if they applied to the UK alone. For the velocity of circulation of money does shift around quite a bit; and there is quite a lot of evidence that UK output is rising from its recession bottom. A slow growth of the money supply could itself be mainly a sign of the collapse of British inflation. C S First Boston (CSFB), for instance, makes out a good case that industrial costs will not be rising at all next year – thanks largely to the UK's membership of the Exchange Rate Mechanism.

It is when such trends are repeated on the world scene that serious doubts arise. Both targeted measures of broad money in the US are below the Federal Reserve's range and have in fact been falling over the past three or six months. Japanese and French monetary growth have also fallen heavily. The fall has been especially steep in the Japanese case, and in the French one has covered "narrow" transactions balances as well as broad money. Only in Germany has the money supply been growing slightly faster than last year (although within its target range), but the complications of monetary unification with the east make interpretation difficult.

The New York-based Shadow Open Market Committee believes that the growth of US broad money has been distorted downwards by people switching from small demand deposits to bonds and other securities. It is therefore hostile to the presidential campaign to make the Fed reduce interest rates further. The worrying feature of its explanation is that so much weight is put on the stable growth of the so-called monetary base, which is basically cash plus bank deposits with the Fed. In crisis situations, such as the Great Depression, the normal relationship between this base and what most people would call money can collapse like a house of cards. Indeed, this was shown to have happened in the early 1930s by Milton Friedman and Anna Schwartz, who is herself a member of the committee.

Technical explanations have also been attempted for the Japanese monetary slowdown. Indeed, there is a suspiciously large number of special factors and coincidences at work in too many countries explaining low monetary growth. The one convincing riposte of the Bank of Japan would be to say that, until this summer, it has been deliberately restrictive to puncture the inflationary psychology that developed in asset markets, but that it can now move towards greater ease. The bank, however, dislikes admitting such a policy switch, leaving commentators to infer that it is taking place.



CSFB calculates a useful weighted average for the money supply for all the Group of Five countries, choosing the definition conforming to the national target – which is broad money except in the case of the UK. The series shows, at 3 per cent, a lower rate of annual increase than at any time since it began at the beginning of 1980.

Not even the staunchest of inflation fighters will want to see growth in money supply fall any further. Nearly all the monetary forecasts show a modest recovery next year in both money supply growth and velocity, leading to an ample expansion of world demand in nominal terms – the accompanying charts show a characteristic pattern.

The nightmare which is worrying Alan Greenspan, the Fed chairman, is that the mainstream forecast will be wrong and that borrowers will continue to find themselves excessively indebted and disinclined to take up credit lines until their debt ratios have improved much further.

It is a waste of time trying to guess whether the mainstream optimism or the darker Greenspan forebodings are nearer the truth. It is much more important and interesting to think in terms of "what if?" What should the policy response be if Greenspan's gloomiest fears do prove justified?

Should central banks respond by levering their short-term interest rates so far downwards that potential borrowers have not only been led to the water but have had their muzzles submerged? This is not an option for European countries linked to Germany; but the US and Japan can at least consider the question.

The heart of the problem is not to do with forecasting or the technicalities of measuring money, but concerns the nature of recessions and economic slowdowns. Are these unpleasant phenomena simply due to demand management mistakes, of which excessive or inadequate monetary growth are aspects? Or do they sometimes reflect something deeper.

Hardline "Austrian" business cycle analysts between the wars used to argue that recessions were necessary to remove the distortions of previous booms, when some sectors needed to liquidate misconceived investments. This therapeutic function of the business cycle was dismissed as hopelessly reactionary by monetarists and Keynesians alike. But were these uncomfortable middle Europeans completely wrong after all?

In his article in the FT on September 30 on the shake-out in US services, Michael Prowse cited evidence that many parts of the American service industries had become over-extended and unprofitable after years of rapid growth sheltered from foreign competition. A policy of maintaining demand growth in all circumstances might temporarily slow down necessary real adjustments, only to make the eventual correction that much larger – as the post-communist countries are discovering in a big way.

Should potential borrowers not only be led to the water but have their muzzles submerged?

On the other hand, it would be even more perverse to let a secondary contraction develop in which demand spirals downwards out of control, and the "balance sheet corrections" for which the financial analysts call become even more difficult.

The comparison with a decade ago is highly relevant. For, as the top chart shows, after a temporary recovery from the 1980 downturn, the world experienced a second and larger dip in 1982. Is there no danger of another downward sloping "W" in the early 1990s? Or even something worse. A new book by James Dale Davison and Lord Rees-Mogg on "the depression of the 1990s" is a sign of the market for pessimism.*

The last inflationary upsurge is only recently behind us, and even now the most likely prospect in the main industrial countries is for creeping inflation rather than anything that can even loosely be called price stability. An unconditional call for concerted monetary expansion now would be a bad mistake.

But for the first time since the early 1980s, there is a case for standing on the alert against a need to do so. And in deciding whether to sound the alarm or not, for goodness sake keep an eye on the trend not just of money supply, but of Nominal GDP in the Group of Seven; which it should be the object of G7 monetary leaders to influence – if only more of them had heard of it.

* *The Great Reckoning, Simon and Schuster, New York, $22.*

BOOK REVIEW

Chromosome cartography

GENOME
By Jerry E Bishop and Michael Waldholz
Simon & Schuster £16.95, 352 pages

Imagine that your family has a history of suffering from a particular disease – say, cancer of the colon or Alzheimer's disease. Would you have a child knowing there was a high risk that he or she could inherit a tendency to the ailment?

In Genome, Jerry Bishop and Michael Waldholz, two science writers on the Wall Street Journal, describe scientific research on the links between genes on the human genome (the genetic material present in human cells) and certain illnesses or disorders. The research ranges from a study of Swedish alcoholics (to see whether their susceptibility to alcoholism was inherited) to an investigation of some members of Pennsylvania's Amish community (to determine whether the incidence of suicide in some families could be explained by the inheritance of genes linked to depression).

Much of the book is devoted to the story of Nancy Wexler, who learned that her mother had Huntington's disease. This strikes in middle age and therefore usually after the gene carrier has had children.

When Wexler realised she had a 50-50 chance of inheriting the disease, she threw herself into research to discover whether there was a way to identify the gene responsible before symptoms developed.

Her investigation took her to remote villages in Venezuela where scores of people suffered from Huntington's disease. She compiled family trees to track the inheritance of the gene, a task complicated by some villagers' inability to identify their relatives, or remember the names or ages of their siblings or offspring.

However, her excitement when the gene for Huntington's disease was eventually located on one of the chromosomes in 1983 was marred. While she could provide a test which would allow people to discover whether they would develop Huntington's disease, she had no cure to offer. As a result, many people who were at risk chose not to be tested, preferring to hope that they would not be struck down.

The authors cite estimates by the geneticist Neil Holtzman's that of the 16.2m children and young adults who might be tested annually for genetic susceptibilities, 810,000 would discover a possible predisposition to a late-onset disease that they might be able to avert by taking preventive action. Can anyone dispute the personal and public health benefits of such screening programmes if instituted on a national or international basis, ask the authors.

The answer is yes. They point out that genetic screening could have unsavoury uses. Parents in search of the perfect baby might be able to screen a fertilised egg outside the human body before implanting it in the mother, to check that it had no "undesirable" traits such as a susceptibility to cancer, heart disease or diabetes.

Alternatively, if scientists were to discover certain genes associated with intelligence, sporting or musical ability, some parents might want to screen a number of fertilised eggs and implant one which carried the "desirable" traits.

If genetic screening were to become widespread, insurance companies would probably want access to the information so that they could charge higher premiums for high-risk individuals.

Finally, would employers use routine genetic screening to identify employees with a high risk of developing a genetic illness? Employers keen to keep costs down may welcome the opportunity to eliminate potentially expensive employees from their payrolls.

"It is easy to dismiss such matters as being either far-fetched or of distant concern. But science advances without regard to whether society is prepared to cope with its discoveries," write the authors. Given that scientists hope to have mapped the entire human genome by 2006, the authors conclude that perhaps it is time to consider the ultimate implications of the work.

Sara Webb

LETTERS

Asthma body surprised by criticism

From Dr Peter Thomas.

Sir, I was concerned to read in your article "No clear passage for asthma debate" (October 1) that "a phalanx of professors and national asthma associations immediately attacked the International Asthma Council (IAC)".

As chairman of the IAC, I have received no communication of disapproval from any such individuals or organisations. On the other hand, I have received positive expressions of support from many physicians and asthma patients.

Indeed, I am surprised that the IAC should provoke criticism: it is committed to improving the management and effectiveness of asthma treatment through better communications and education directed at both doctors and their patients – a goal shared, surely, by everyone.

I would also like strenuously to deny the implication that the IAC's independence is compromised, and that it has "subtly adjusted its guidelines". Members of the IAC support existing guidelines, such as those produced by the National Institute of Health, which recommend the regular use of anti-inflammatory treatment. The IAC's aim is not to change guidelines but to ensure that they are understood and applied.

Whatever the medical controversy, one fact is inescapable: the incidence of asthma is increasing and there must be a more concerted attempt worldwide to treat the underlying cause, not simply relieve the symptoms.

Peter Thomas,
chairman,
International Asthma Council,
196 Parkview Hill Crescent,
Toronto,
Ontario, Canada

Gummer's antediluvian approach to agriculture

From Mr Brian Gardner.

Sir, Your interview with Mr John Selwyn Gummer, Britain's minister of agriculture ("Aggrieved proponent of reform", September 23), vividly demonstrates either his inability or his wilful refusal to appreciate the political reality of the difficulties of reforming the EC's agricultural sector. One suspects it is the latter.

His comments on EC farm structure manifest an antediluvian approach to agriculture policy which does not begin to address the serious problems which now face the rural sector. The Commission is deliberately not linking compensation to restructuring. The last thing the Community wants is increased production, which is what would result from such restructuring. It does, however, want to conserve rural communities. In the interim, only direct social payments can do this while new rural industries and structures are established.

Much better to pay some farmers to stop farming or to farm less intensively. This is what the enlightened MacSharry proposals are in fact recommending.

Mr Gummer's complaint that "the cost of meeting the reductions determined in the Gatt Round would be laid on the most efficient producers" seems to miss the point entirely. Surpluses will not decline or budgetary expenditure fall unless the payments to the larger farmers, who produce the excess, are substantially reduced.

The same can be said about complaints about the apparent discrimination among products which would be penalised. It is not the Mediterranean products – wine, olive oil, fruit and vegetables – which threaten the sound management of the EC's agricultural budget, but the "northern" products: cereals, oilseeds, dairy products, beef and lamb. Expenditure on these five products currently constitutes almost a third of the Ecu32bn annual expenditure on the support of EC agriculture. Eighty per cent of the money not only goes to 80 per cent of the farm land but also goes to producers of the 40m tonnes of surplus grain, 17m surplus tonnes of milk, 500,000 tonnes of surplus beef and other excess products annually burdening the EC budget.

Mr Gummer also appears to have his own unique – and inaccurate – interpretation of the Rome Treaty on agriculture policy. It was and is concerned with supporting people – not production: "to ensure a fair standard of living for the agricultural community. . ." (Treaty of Rome Art. 29 1(b).

On the environment, Mr Gummer's statements are not only obscure, but muddled. Voluntary set-aside would largely result in the setting aside of land that needs to be "farmed" in the more remote areas of Britain. At the same time, it would not encourage set-aside in the areas where it is needed: where environmental pressure from highly profitable and intensive agriculture is greatest – lowland areas close to major conurbations.

This interview would suggest that the minister's main objective is to protect the interests of the UK's own, predominantly large, farmers. He appears to be following his own protectionist line, in complete oblivion of the declared liberal trade policy objectives of the government of which he is a member.

Brian Gardner,
EPA Associates,
55 Rue Jennevol,
1040 Brussels,
Belgium

Cut-out control to put a stop on high speed

From Mr Brian Bellamy.

Sir, John Griffiths ("Putting brakes on 'car abuse'", October 1) calls for a solution to safer motoring in suburban areas, citing the technology that lulls one into a false sense of lower than real speeds. As the owner of two high-speed, powerful cars (275 and 175 bhp), I am aware of the feeling of "non-speeding" within a lower speed area.

However, one of my cars has an automatic cut-out to stop the car engine over-revving. I can see no reason that "control" cannot be taken further to stop a car exceeding the speed limit within a defined area. It could be fitted with a receiver device which, on passing a speed limit sign, would receive a signal from a unit built into the stop-sign that would restrict the top speed of the car to the specified limit. On leaving the restricted area, the speed sign would give out another signal allowing a higher speed.

Police radar traps would then no longer be necessary, and constables normally assigned to them could be released for more productive work. The sending devices built into the speed signs would have to be made vandal proof and for this I would suggest they be placed in street lamps or overhead signs.

Sealing the receiver would prevent anyone's tampering with it – and police would have the legal right to random inspections of the devices. A unit found to be tampered with or inoperative would lead to an automatic one-year ban on driving for the registered owner of the vehicle, and in the case of a company car, the regular driver. I would leave other refinements to experts. Some people will find this an infringement on their self-ascribed right to speed. With regard to installation costs in cars/street signs, I would ask "what is the cost of a child's or an adult's life?"

Brian R Bellamy,
Lidostrasse 14,
CH-6314 Unterägeri,
Switzerland

Inflated prices behind malaise in book industry

From Mr J H C Leach.

Sir, Your article ("Final chapter for book price accord", September 30) on the Net Book Agreement highlights the problems facing the British publishing industry. May I put forward one possible cause of the malaise? A collection of paperbacks on the subject of philosophy which I bought as an undergraduate in 1954 has an average price of three shillings (15p). A collection of paperbacks bought today, of a similar subject, size and scope, would cost an average of rather over £7 each; yet, if the cost of these books had risen only in line with inflation, where a factor of 12 applies, their cost would now be approximately £1.80. And this, over a period when printing techniques have been revolutionised. I do not find it surprising that undergraduates are now so very reluctant to use what little money they have on the purchase of books.

J H C Leach,
Pembroke College,
Oxford

Fax service
LETTERS may be faxed on 071-873 5936. They should be clearly typed and not hand-written. Please set fax machine for fine resolution.

FINANCIAL TIMES
Thursday October 3 1991

Living with Ceausescu's cruel legacy

The coalminers of Romania's Jiu Valley tell **Judy Dempsey** why they are still angry

Stinking pollution spews out of chemical factories in Romania's Jiu Valley. Driving through the village of Mihaict towards Petrosan, the region's main city, a thick, suffocating smog blocked out the noonday sun.

The valley's coal mines are a microcosm of the cruel legacy the former Ceausescu regime has bequeathed to the government, which has had its hands full since the bloody revolution of December 1989.

By the early afternoon, in the mining town of Aninoasa, close to Petrosan, the shops were empty. It was impossible to buy meat, salami, milk or cheese. The hospitals are short of medicines. The streets are full of undernourished children, a consequence of Ceausescu's policy of increasing the birth rate.

Beyond these visible signs of privation, the atmosphere of the Jiu Valley is steeped in fear, political disorientation and manipulation.

Mr Miron Cosma, the 37-year-old leader of the miners, who brought thousands of them to Bucharest last week and who, at the behest of President Ion Iliescu in June 1990, wreaked three days of violence against anti-government demonstrators, has inherited the legacy of decades of misrule and corruption.

In spite of accusations by Mr Petre Roman, who last week claimed that a Communist-backed coup had manipulated the miners into toppling the government, Mr Cosma said he was under the influence of no political party.

"Our aim is to resolve social problems of the miners. We do not have political intentions," he said in an interview in Petrosan.

"Over the past 19 months, Petre Roman did not come down here once to talk to us. Since then, prices have risen threefold but wages have been only doubled since 1989," he said.

Until last week, the average monthly wage for a miner was 12,000 lei ($200). The average industrial monthly wage is 6,000 lei. Mr Iliescu slapped on an extra 7,000 lei for all the miners after they ousted the Roman government last Thursday.

Mr Cosma denied that he had set out to topple Mr Roman, denied that the miners had been manipulated and rejected any idea that the miners, armed with pickaxes, had smashed up the private shops in Bucharest as a show of opposition to the reforms.

Mr Cosma also discounted the argument that the miners' actions in 1990 and last week had increased instability, threatened economic reforms or further weakened the country's fragile democratic institutions.

"We want stability. In June 1990, there was too much instability. Today, there are too many political parties in the country and too much instability," he said.

The one person for whom Mr Cosma had no direct criticism was Mr Iliescu, a former Communist. "Iliescu was elected by the people. We will fight against anyone who does not represent the people's interests," he said.

Outside Petrosan, at the entrance to the pits, the miners' clear and simple social demands are coupled with vague political goals.

As we stood talking outside the Aninoasa mine, one of the complex of pits set deep in the Jiu Valley, Mr Mihai Shmaleni, a 43-year-old miner who looks worn out and prematurely aged, complained bitterly about his social conditions.

"The government promised us four pairs of boots a year and two changes of clothes. We have received nothing," he said.

"All I want is an improvement in the working conditions and an end to the bureaucracy in the mines. Iliescu should come down into the mines. But he will not. If Iliescu and Roman do not meet our conditions we will again go to Bucharest," Mr Shmaleni said.

Like Mr Cosma, he brushed aside criticism that the miners' riots last year and last week were damaging their reputation and the reforms.

"It all comes down to democracy. We have to straighten things out. It is not a good idea to have private shops. The prices are too high. Maybe Cosma is manipulated. Things were much better under Ceausescu. There was no crime," Mr Shmaleni added.

Mr Shmaleni appeared to have forgotten how Ceausescu had crushed the miners' strikes in 1977, imprisoned their leaders and infiltrated the Jiu Valley with the Securitate, the former secret police.

A 41-year-old engineer, who declined to be named, said he condemned the miners' actions in Bucharest but said he agreed with the miners' petition for better social conditions.

He was suspicious, however, that they may have been manipulated. "The miners cannot do things by themselves."

A 59-year-old ethnic Hungarian and pensioner who recieves 3,800 lei a month, complained about food prices and the shortages but had little patience with the miners' actions.

"The miners went to Bucharest because they are stupid. They have good salaries. But please do not write my name because the miners will hang me. You must understand, there are all kinds of people here. It is like a pudding where they are all mixed together," she said.

Corazon Aquino (right) attempts to win Senate approval for a treaty allowing US forces to remain in the Philippines

Plans for referendum on Philippine military bases treaty abandoned

Aquino gives US forces three years

THE US will have three years rent-free to withdraw its forces from the Philippines, after almost 100 years of military presence there, President Corazon Aquino announced yesterday, agencies report from Manila.

Mrs Aquino, abandoning plans to hold a referendum on a bases treaty, said the three-year withdrawal had the support of at least 15 of the 23-member senate, which last month voted 12-11 to reject the treaty.

In Washington, Mr Dick Cheney, US defence secretary, expressed regret at Mrs Aquino's announcement, but said the US would abide by Manila's decision. "It's a tragedy for the Philippines that they're not willing to ratify the agreement, but they've made that decision," he said.

The treaty would have allowed the US to use Subic Bay naval base until 2001 in return for $2.2bn. Hardliners have demanded that the US withdraw its remaining 8,000 servicemen from the Philippines within a year.

Mrs Aquino initially threatened to overturn the senate decision through a referendum, but constitutional experts warned that this could not reverse the senate's action. She said she would seek an extended withdrawal period to give the Philippines longer to prepare for the US pull-out.

"I have decided the Philippine government will negotiate and execute an executive agreement with the US government for the withdrawal of military forces within a period not exceeding three years," she said yesterday.

Mrs Aquino said that, while no US compensation would be directly linked to the use of Subic Bay over the three-year period, Manila would welcome US help in coping with a series of disasters that have hit the country, including the June eruption of Mount Pinatubo. She added that withdrawal within one year would result in economic dislocation for thousands who depend on the base for their livelihood.

The Philippines plans to turn Subic Bay into a commercial shipyard. The US had already decided to abandon Clark air base, which was wrecked by Pinatubo's eruption.

Britain and Vietnam ready to repatriate boat people

By William Dullforce in Geneva

BRITAIN and Vietnam are ready to go ahead with the forced repatriation to Vietnam of boat people in Hong Kong camps who have been denied refugee status, United Nations officials in Geneva said yesterday.

London was understood to be informing Washington yesterday of an understanding reached at talks in Hanoi last week between Britain, Hong Kong and Vietnam.

The US has strongly opposed the forced return of tens of thousands of Vietnamese who have fled their country, mostly in small boats, and are now being held in squalid conditions in camps in Hong Kong, Thailand, Malaysia and Indonesia.

There are about 64,000 Vietnamese in the Hong Kong camps, most of whom are regarded as economic migrants rather than as political refugees.

Vietnam had agreed in principle to the "orderly return" of boat people not considered to be political refugees, a spokesman for the UN High Commissioner for Refugees said in Geneva. The UNHCR was represented at the meeting in Hanoi.

The UNHCR would not participate in the actual deportation of boat people "at either end" but, if asked, would agree to act as an observer or monitor, the spokesman said.

A joint British and Hong Kong team sought to persuade the Vietnamese to agree to a project for the establishment of internationally managed centres in Vietnam to which economic migrants from Hong Kong could be returned.

Vietnam rejected such centres, arguing that they would infringe its sovereignty.

But in a reversal of its former position, it appears to have agreed to take back any boat person not granted the status of a political refugee.

Previously, Vietnam had said it would accept only those who returned voluntarily. There was an outcry in the US when Hong Kong repatriated 51 boat people against their will in December 1989.

The US attitude has been a crucial factor. The Vietnamese want the US to normalise diplomatic relations and to lift its trade embargo, opening the way for US investment in their country.

Washington has imposed conditions, including a peace settlement in Cambodia and an account from Hanoi of more than 2,000 American soldiers still "missing in action" from the Vietnam War.

A Cambodian settlement is now close and Gen John Vessey, US special envoy on the missing soldiers issue, voiced appreciation for Vietnamese co-operation when he visited Hanoi last week.

Dutch EC plan goes into the bin

Continued from Page 1

introduced in EC foreign policymaking.

The fiasco over the Dutch union plan is regarded in the Netherlands as deeply embarrassing, but is not expected to tear the centre-left cabinet apart.

This is because while Mr Piet Dankert, the EC affairs minister and chief author of the doomed proposal, belongs to the Labour party, the two men who formally approved the document are both Christian Democrats – Mr Hans van den Broek, the foreign minister, and Mr Ruud Lubbers, the prime minister.

But the Dutch humiliation will undoubtedly be greeted with opposition outrage when parliament starts debating the budget next week.

The twin issues of the budget and the reform of the Dutch welfare state are widely blamed for distracting Mr Lubbers' attention from Europe, at a time when Mr van den Broek was preoccupied trying to broker peace in Yugoslavia.

Rover and Honda will extend links with two new car ranges

By Kevin Done, Motor Industry Correspondent, in London

ROVER and Honda, the UK and Japanese car makers, are to embark on a far-reaching expansion of their strategic alliance to the end of the 1990s.

The two companies are to collaborate on the development of two new car ranges, a small family car to replace the Rover 200/400-Honda Concerto and a supermini to replace the Rover Metro.

By the mid-1990s, it is expected that all the mainstream Rover car model programmes will be based on collaborative projects with Honda.

Honda already holds a 20 per cent equity stake in the Rover vehicle operations and the relationship between the two is set to become the most ambitious alliance established between a European and a Japanese car maker.

The two companies, first linked in a limited licensing deal in 1979, announced yesterday that they had signed a memorandum of understanding which would consolidate their relationship "through the rest of the decade".

The deal is a cornerstone in Rover's attempt to bring the productivity and efficiency of its car operations up to world-class levels to meet the threat of intensified Japanese competition in the European car market in the 1990s.

It comes only three weeks after Rover announced in a related move that it was seeking radical changes in working practices among its 35,000-strong UK workforce to gain the same conditions and flexibility already being conceded by unions to Japanese car makers at their new UK plants.

Rover is 80 per cent owned by British Aerospace. The further cementing of its relationship with Honda comes amid mounting speculation about the future ownership of British Aerospace itself in the face of its troubled rights issue, falling profits and the resignation last week of its chairman.

Mr George Simpson, chief executive and chairman-elect of Rover, said yesterday, however, that there was no plan for Honda to increase its holding in the UK car maker as part of the latest deal.

The agreement between the two companies provides for:

- Further collaboration on the design and development of new products.
- Further collaboration in manufacturing and purchasing.
- Formal Honda involvement in Rover's programme to achieve world standards of lean production.
- The establishment of Rover's body and pressings operation at Swindon, southern England, as Honda's key European supplier of metal panels.

As a result of the deal Honda is to expand its own £300m ($522m) assembly plant under development on a separate site at Swindon, where it will add a second model range in the mid-1990s.

From then all its European car production will be concentrated at its own site and Rover will cease to produce Honda models at its Longbridge, Birmingham, plant.

High gear, Page 16

THE LEX COLUMN

Keeping Rover on the leash

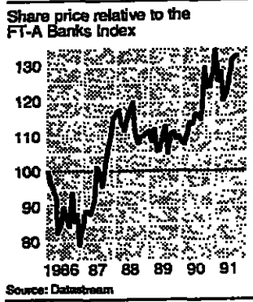
Yesterday's announcement of closer links between Rover and Honda has the effect of making the outlook for British Aerospace more obscure than ever. However encouraging the news for the UK motor industry, it does nothing to commit Honda to buying Rover and further bars the road to any other owner. Given the assumption that no-one in their senses would want to own British Aerospace in its entirety, this makes the job of breaking it up more problematical than ever.

It is natural that GEC should be interested in the fate of BAe, which is a crucial customer for Marconi's defence output. It is also wholly in character for Lord Weinstock to seek to pick out the assets which suit him, as he did with Plessey and Ferranti. But there is no suggestion that GEC would be rash enough to bid for the whole of BAe, black holes and all. Considering the obstacles facing any bidder – the defence sensitivities, the imponderables of the property market and the Honda/Rover deal – it looks increasingly likely that BAe, like Ferranti, will be left to work out its own salvation.

FT-SE Index: 2,644.2 (-1.4)

Bank of Scotland

Share price relative to the FT-A Banks Index



Bank of Scotland

Bank of Scotland must think its shareholders are an ungrateful lot. Interim pre-tax profits of £75.7m were well above expectations, yet its shares fell by 1 per cent. Part of this was simply selling on good news; the bank has outperformed the market by 5 per cent in the last week alone. Part purportedly reflected disappointment at a dividend increase of only 6.9 per cent.

The overriding question is, however, more fundamental. Can even a bank as well managed as this continue to outperform when it is already trading at a historic yield of just 4.4 per cent, a full point below the sector average?

The encouraging news – though hardly consoling to the rest of the sector – is that the figures topped expectations, not because the market had overestimated bad debt provisions, but because it had underestimated operating profits. But the latter were helped by a 24 per cent rise in commission income which included a one-off element from the Scottish utility privatisations.

The one-third stake held by Standard Life may inhibit Bank of Scotland from following the herd and setting up in life insurance. Its best hopes still lie in expanding its loan book. Despite sluggish overall conditions, it increased market share in the first half, apparently without sacrificing quality. Margins have also risen on new loans. Yet the bank has to contend with a customer shift towards higher interest deposits. It will be some time before lower provisions restore net interest income to more normal levels and once again secure the retained profits needed to fund healthy asset growth. That helps explain both the cautious attitude to the dividend and the continuing emphasis on costs. It also suggests the outperformance of the shares may not have much further to run.

Smurfit

Jefferson Smurfit's interim results present a remarkable and puzzling change of policy. Historically, the group has held its annual dividend increase to a maximum of 10 per cent, with the result that over the past decade the dividend has risen by two-thirds while earnings have risen fivefold.

This time, earnings have fallen by 7 per cent and the dividend has been raised by 40 per cent. The group offers two slightly inconsistent explanations: its confidence in the future and the fact that it has given up hope of persuading the market to value it purely in terms of capital gains.

For a company with net cash and dividend cover last year of over 10 times, the rise is plainly affordable. The question is rather how far it is designed to offset the damage caused to the company's reputation by such public relations disasters as its profoundly embarrassing involvement with Brent Walker and the resignation of its chairman last week as head of Ireland's state-owned telecommunications company.

For a more humdrum paper company, none of this might matter. Smurfit's problem is that it has always seemed a little too clever for its own good. In the past five years, its shares have enjoyed two periods of sharp outperformance, on the junking and re-junking of its US assets in 1986 and 1989 respectively. In between they have moved sideways. The fact that the hugely geared US joint venture is currently making a post-interest loss plainly offers immense scope for recovery in the upswing of the cycle. Nevertheless, buying the shares now would be a vote of confidence in the group as investment banker rather than as paper-maker.

Utilities

Tuesday's decision by Ofwat on water price increases clarified a central element of that sector's regulatory regime. The question is what it means for privatised utilities in general. Ofwat appeared to accept what the water companies had been arguing all along – that its licence confers wide but ultimately limited powers to restrain their financial performance. That has been seen as reason to give the shares of most utilities a higher value. If Mr Byatt sticks to his intention not to alter his position radically this year or next, then forecast rates of dividend growth look secure.

On a longer view, that may be too optimistic. Tough regulators need no external help. But with Ofwat generally perceived to have adopted a weaker stance than it was once threatening, it is conceivable that politicians of whatever hue will eventually be more eager to tighten all the rules, the more so because other regulators have been noticeably slower than Ofwat to bare their teeth. Voters hugely outnumber shareholders; dividend and salary increases may be out of the tabloid headlines for now, but will surely return.

The market may be unsure how seriously to take the risk of interference from Whitehall but, judging by yesterday's 2.5 per cent rise in the package of electricity shares, it believes the utilities' bounty will last a while yet. The partly-paid electricity package yields 5.1 per cent, the water sector a point higher. In the context of a market yield of 4.7 per cent, that seems meagre compensation for the fact that the perceived injustice of private sector monopolies is bound to remain on the political agenda.

WORLDWIDE WEATHER

		°C	°F			°C	°F			°C	°F			°C	°F			°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	23	73	Berlin	F	13	55	Caracas	C	28	82	Faro	S	25	77	Islamabad	F	21	70	Madeira	C	23	73	Milan	S	22	72	Moscow	S	33	91	Salzburg	C	11	52	Tenerife	S	25	77
Algiers	F	25	77	Biarritz	C	19	66	Casablanca	S	22	72	Florence	F	23	73	Istanbul	S	27	81	Madrid	S	20	68	Montreal	C	13	55	Oporto	S	24	75	San Francisco	F	12	54	Tokyo	S	24	75
Amsterdam	F	15	59	Bombay	–	–	–	Chicago	S	17	63	Frankfurt	C	13	55	Jakarta	F	33	91	Majorca	F	25	77	Moscow	F	18	64	Oslo	S	13	55	Seoul	F	23	73	Toronto	F	13	55
Athens	S	32	90	Bordeaux	C	18	66	Cologne	F	11	52	Geneva	S	16	61	Jersey	S	18	64	Malaga	S	22	72	Munich	C	13	55	Paris	F	15	59	Singapore	–	–	–	Tunis	F	26	79
Bahrain	F	31	88	Boulogne	S	13	55	Copenhagen	F	12	54	Gibraltar	S	22	72	Johannesburg	F	26	79	Malta	S	31	88	Nairobi	–	–	–	Peking	C	19	66	Stockholm	C	8	46	Valencia	S	23	73
Bangkok	F	32	90	Brussels	F	15	59	Corfu	F	27	81	Glasgow	F	12	54	Lima	C	19	66	Manchester	F	13	55	Naples	F	26	79	Prague	C	12	54	Strasbourg	C	14	57	Venice	S	23	73
Barcelona	S	22	72	Budapest	F	15	59	Dallas	S	17	63	Helsinki	F	12	54	Lisbon	S	23	73	Manila	C	32	90	Nassau	C	30	87	Reykjavik	F	4	39	Sydney	F	18	64	Vienna	F	15	59
Beirut	S	32	90	Buenos Aires	F	18	64	Dublin	C	11	52	Hong Kong	F	29	84	London	F	17	63	Melbourne	S	14	57	New Delhi	–	–	–	Rhodes	S	33	91	Taipei	F	31	88	Warsaw	C	15	59
Belfast	R	9	48	Cairo	S	33	91	Dubrovnik	–	–	–	Innsbruck	F	17	63	Los Angeles	S	19	66	Mexico City	C	30	86	New York	C	19	66	Rio de Janeiro	C	24	75	Tangier	S	26	79	Washington	S	18	64
Belgrade	C	18	64	Cape Town	S	18	64	Edinburgh	F	12	54	Inverness	F	12	54	Luxembourg	C	13	55	Miami	S	26	79	Nice	C	23	73	Rome	F	24	75	Tel Aviv	S	34	93	Zurich	F	13	55

Temperatures at midday yesterday C – Cloudy Dr – Drizzle F – Fair Fg – Fog H – Hail R – Rain S – Sunny Sl – Sleet Sn – Snow T – Thunder

FINANCIAL TIMES
COMPANIES & MARKETS
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INSIDE

Market Statistics

Companies in this issue

Chief price changes yesterday

FRANKFURT (DM)			
Rises			
Bayer-Hypo	348	+	7.5
Philips Kommun	525	+	18
Rheinmetall Prf	263	+	11
Falls			
AG Ind & Verk	760	−	20
Degussa	326.5	−	8
Linotype-Hell	444.5	−	70.5
NEW YORK ($)			
Rises			
Landmark Svngs	6⅞	+	1⅛
Novacare	22½	+	1½
Time Warner	85	+	2⅛
Upjohn	46¼	+	1¾
Falls			
Integra	24¾	−	¼
Knowledgeware	12¼	−	6⅞
PARIS (FFr)			
Rises			
Cogifi	371.2	+	26.2
Cred Lyon (Cl)	534	+	20
EBF	775	+	25
Sellmeg	510	+	24
Uniball	709	+	24
Falls			
Eurocom	785	−	33
TOKYO (Yen)			
Rises			
Daito Wool	790	+	100
Kiaritz	889	+	100
Kyosan Cable	619	+	59
Nippon Carbide	755	+	78
Nippon Tirpod	1400	+	150
Falls			
Teikoku Sen-I	597	−	100
LONDON(Pence)			
Rises			
ASDA	50½	+	3½
Aerospace Eng	47	+	5
Ash & Lacy	158	+	5
Bost (H)	653	+	45
Brit Telecom	421½	+	8½
Goodwin	48	+	6
Photo-Me Intl	255	+	11
Sidgwick	266	+	10
Severn Trent	350	+	11
Ultramar	249	+	14
Vardy (Reg)	148	+	19
Falls			
Adscene	81	−	7
Airtours	773	−	22
Alexon	423	−	17
Hadleigh Inds	93	−	6
Higgs & Hill	201	−	22
Lep Grp	24	−	4
Microgen	154	−	7
Mountleigh	16	−	3
Ratners	104	−	11
Rolls-Royce	144	−	6½
WPP Grp	78	−	4

French advertising groups to merge

By William Dawkins in Paris

EUROCOM, France's largest advertising agency, is to merge with the country's third largest, Roux Séguéla Cayzac & Goudard (RSCG), in a deal which will create Europe's leading advertising group.

The new company, Euro RSCG, will have turnover of FFr43bn ($7.7bn), and gross income of FFr6.4bn. As a result, it will be the sixth largest in the world.

The merger comes after a period in which both partners have experienced a slowdown in earnings growth in the wake of ambitious international acquisitions.

Analysts said it could mark the first stage in a broader restructuring of the French advertising industry.

Before the merger, the debt-laden RSCG will raise FFr500m from a rights issue, of which up to FFr350m will be provided by Havas, owner of a 44 per cent stake in Eurocom. Existing RSCG institutional shareholders will provide the remainder.

Havas will keep a 40 per cent share of the new group's equity, in which RSCG's management will be the second-largest shareholding group with between 11 per cent and 13 per cent.

Mr Alain de Pouzilhac, Eurocom's chairman and Mr Jacques Séguéla, one of RSCG's founders, said the merger would help the partners compete against leading US and Japanese advertising agencies. "We want to attract the big international advertisers," said Mr de Pouzilhac.

The aim was to promote "sensual and imaginative" Latin publicity in Anglo-Saxon markets, said Mr Séguéla. Both partners earn about half their gross income abroad, a proportion they plan to lift to two-thirds within three years.

Their French businesses, where Euro RSCG has a 20 per cent market share, will operate separately, but the two will seek to merge their international operations where this does not create conflicts of interest with competing clients.

The deal, under negotiation since late June, brings together formerly fierce competitors on the French market. However, their corporate clients welcomed the move, said the partners. It would strengthen their buying muscle at a time when French media buying is becoming increasingly competitive.

Three months ago, Eurocom broke off its media-buying partnership with Carat, the media-buying specialist, after a series of difficulties, including the French government's refusal to allow Eurocom and Carat to work together in France.

Rivals unite, Page 20

Daniel Green and **Clive Cookson** on the UK ban of Upjohn's lucrative drug

Insomnia cure faces sleepless nights

SIXTY THOUSAND UK doctors, dentists and pharmacists are this morning clearing their shelves of the world's best-selling sleeping pill, Halcion.

The UK Committee on the Health and Safety of Medicines (CSM) withdrew its product licence for Halcion yesterday, the first time in nine years the CSM has imposed such a ban.

Upjohn, the US manufacturer of Halcion, now faces a collapse in sales of its second best selling product. In addition, the CSM decision provides ammunition for the 140 claims against the company in the UK alone for damages as a result of alleged addiction to the drug.

The stakes are high: in August a US woman received an out of court settlement on a $21m lawsuit against Upjohn. She had killed her mother while allegedly under the influence of Halcion. The Food and Drug Administration (FDA), the US regulatory body, said last night it had not decided whether to respond to the CSM ban.

The legal impact of banning the drug could dwarf the direct effects of lost sales. Halcion's UK sales are worth £5m ($8.75m) and it dominates the global sleeping pill market with sales of about $240m a year.

The CSM took action after Upjohn said a clerical error had been made in the original submission of clinical data before approval in 1978. As a result of reviewing the new data, the CSM told Upjohn that it would suspend the Halcion licence on October 2. Upjohn was offered the chance to withdraw the drug voluntarily. It refused and applied

Theodore Cooper

on October 1 to the UK High Court for an injunction. This was not granted.

Mr Theodore Cooper, Upjohn chief executive and chairman, said: "There is absolutely no scientific or medical evidence that warrants withdrawal of Halcion tablets in the UK or any other country." The company now has until November 8 to lodge an appeal with the CSM directly.

Upjohn hopes that the banning of Halcion will be confined to the UK. It said yesterday that it had told other regulatory bodies about the clerical error but that most "chose not to look at the information".

Whether or not the US and EC regulatory authorities reconsider the status of Halcion, the CSM ban has changed the prospects for legal action over the drug.

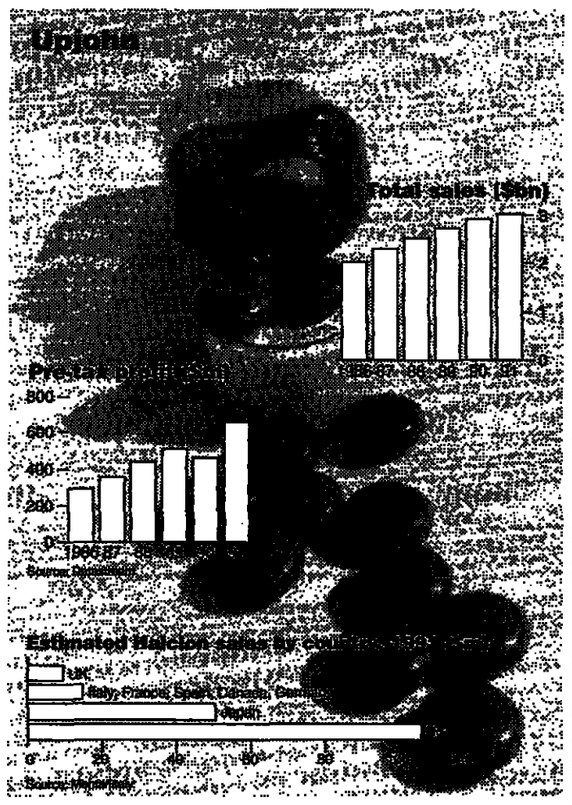
Halcion is one of a group of drugs called benzodiazepines which are the subject of legal action in many western countries. Mr Michael Napier, who heads the benzodiazepine solicitors' group in the UK, said that the CSM decision was "a considerable encouragement" in the case against the manufacturers. The deadline for applying for legal aid passed on September 20 but Mr Napier said he might apply for an extension.

About 11,000 people have applied for legal aid to pursue suits over benzodiazepines and to date more than 700 writs have been served. Benzodiazepines were introduced in the early 1960s to treat anxiety and replaced the discredited barbiturates.

There followed a chequered history. Halcion was banned in the Netherlands for the 1980s after psychiatric evidence. Upjohn said the dispute was over labelling rules and the drug was made available there again last year.

In the UK, the Department of Health received 390 adverse reports on Halcion since its launch in 1978. At least 161 of these concerned psychiatric effects.

Benzodiazepines in general are now recommended for short-term only treatment in the UK and their sales have been declining for several years. According to the pharmaceutical journal Scrip, UK doctors wrote 14.85m prescriptions for benzodiazepines last year; about 10 per cent of these were for Halcion and its unbranded version, triazolam.



(Triazolam is supplied by five generic drug companies which, unlike the maker of the branded version, Upjohn, have all agreed voluntarily to stop selling it in the UK.)

In the short term, the beneficiaries of Halcion's demise will be other benzodiazepines used to treat insomnia, such as Prosom, from Abbott Laboratories of the US which received FDA approval earlier this year, and older drugs such as Valium and Mogadon made by Roche of Switzerland and Activan from American Home Products, the US pharmaceutical company.

But, with benzodiazepines as a class under suspicion, the long-term prospects are brighter for non-benzodiazepine insomnia drugs. The leading candidate may be Stilnox, developed by Synthelabo in France and marketed in the US by Searle, the pharmaceutical subsidiary of Monsanto, the US chemical company.

Mr Sheldon Gilgore, Searle president, said he expects FDA approval by early next year and looks forward to $200m US sales for Stilnox by 1995.

For the industry as a whole, however, the UK ban on Halcion is more than a setback for one drug and one pharmaceutical company. It promises to hasten the day when the long-running debate on the safety of benzodiazepines is brought to a head.

UK banks reach agreement on 3i sale

By Robert Peston in London

THE BIG UK banks have reached agreement at last on a flotation of 3i, Britain's biggest provider of development capital to small and medium-size companies.

The flotation is scheduled for the spring and is likely to value 3i, formerly known as Investors in Industry, at between £1bn ($1.74bn) and £1.5bn. It will be one of the biggest flotations of a company that was neither state-owned nor a mutual company.

3i will convert itself into an investment trust, so it does not pay capital gains tax on sales of investments, and will be the UK's largest quoted investment trust.

The flotation could raise close to £200m for Midland, which owns 17.7 per cent and has the greatest need for cash, and £150m for Lloyds, owner of 13 per cent. The banks have been discussing a flotation since 1984, but have never been able to reach agreement on the terms. New proposals, however, were given to the committee of bank shareholders last week and the banks have now reached agreement. "All the little ducks are at last in a row", said one of the biggest shareholders.

Sir John Cuckney, chairman of 3i, praised the banks for the long-term support they had provided but said it was inevitable they should sell. "The days of consortium banks are over."

The Bank of England will sell its 14.69 per cent stake and the two big Scottish banks, Bank of Scotland and Royal Bank of Scotland, will dispose of their smaller holdings of 3 per cent and 7 per cent respectively.

Even Barclays is likely to cut its stake, from 18 per cent to around 10 per cent after the flotation. National Westminster is likely to reduce its holding from 23 per cent to 15 per cent.

Since its founding in 1945, 3i has invested in 11,000 companies, with a combined annual turnover of £50bn and employing 800,000 people.

Sir John said he was confident that the flotation would not make 3i more short term in its investment decisions. "We currently have investments in more than 4,000 companies. That diversity allows us to take long-term risks."

In the flotation, 3i will market the shares to life insurance companies, likely to be interested in holding them over the long term. A tranche of the offer will be aimed at continental institutions, in part to raise 3i's profile elsewhere in Europe, where it sees great scope for expansion.

C&S/Sovran clears decks with $300m loss provision

By Karen Zagor in New York

C&S/SOVRAN, the big southern bank which plans to merge with NCNB to form America's third largest banking business in terms of assets, yesterday said it would make a large credit-loss provision in the third quarter which will push it into the red for the period.

The Atlanta-based bank said it expects to make a provision for credit losses of about $300m in the quarter to cover potential losses, reflecting the continuing deterioration in its property portfolio, particularly in the Washington DC and Virginia markets.

As a result of the provision, C&S/Sovran expects to show a third-quarter loss of about 30 cents to 40 cents a share when it reports its results on October 15. In the 1990 third quarter, the bank had net income of $33.9m or 23 cents a share with a credit-loss provision of $85.4m and one-time charges of about $90m.

In the second quarter, C&S/Sovran earned 45 cents a share after a provision of $170m.

The news was expected on Wall Street where shares in C&S/Sovran eased $⅛ to close at $27⅞ while NCNB fell $⅝ to close at $35½.

When NCNB announced its $4bn share-exchange deal with C&S/Sovran, analysts were told that C&S/Sovran expected to have about $600m in loan-loss provisions for the second half, with non-performing assets of no more than $1.7bn.

C&S/Sovran said yesterday its non-performing assets are expected to increase by between $325m and $375m in the third quarter to about $1.6bn.

The bank said its fourth-quarter credit loss provision is not expected to be significantly above the third-quarter provision.

"C&S/Sovran is getting its house in order before the transaction closes," said one analyst.

The bank said it had agreed to modify some loan, accrual and reserve policies and practices as part of its merger agreement with NCNB.

Meanwhile, a suit to block the merger has been filed by First Federal Savings Bank, a small Georgia-based bank. First Federal claimed that its merger agreement with C&S/Sovran was cancelled in the wake of the NCNB merger.

A spokesman for NCNB said the bank's legal department did not expect the suit to stand in the way of the planned merger. "I'm not inclined to attach much importance to it," said one analyst.

London Fox closes property futures

By Vanessa Houlder, Property Correspondent, in London

THE London Futures and Options Exchange (Fox) yesterday closed its property futures market, after a City regulator discovered "possible irregularities" in the operation of the market.

The Securities and Futures Authority detected the irregularities in the course of a routine inspection of one of its members, a futures broker, within the last few weeks.

It said it was continuing to pursue its enquiries.

The market was closed yesterday morning, after an emergency board meeting decided that the measure was necessary "for regulatory reasons to preserve the integrity of the market".

The Securities and Investment Board, which was notified earlier by the SFA, said it agreed with the decision to close the market, although it had not prompted it.

"It is a sad day for us," said a spokeswoman for London Fox, who admitted that the closure of the market would affect the credibility of the exchange.

She stressed however, that the decision to close the property futures market had been taken by the London Fox board, rather than the Securities and Investment Board, the City's regulatory authority. "We were forestalling any possible problems," she said.

London Fox said that the closure was unrelated to the degree of the success of the market, which has been slow to take off since its launch in May.

"There was not much activity but it was not a disaster. It was at its early stages," said Mr Tim Bolton-Carter of James Capel, a designated broker for the market.

London Fox said it was hopeful that, at some stage, it would be able to relaunch the market.

The closure of the market came a day after London Fox cancelled a simulated property futures trading day which was due to be held at Canary Wharf in the London Docklands on Friday.

London Fox said the event had been judged to contravene some provisions of the Financial Services Act.

The property futures market was composed of four separate but interrelated contracts, covering commercial property, commercial rents, residential property and mortgage interest rates.

The commercial property futures market was based on a monthly index produced by the Investment Property Database, the Nationwide Anglia house price index and the London Fox mortgage interest rate index.

Bank of Scotland results exceed market forecasts

By Robert Peston in London

BANK of Scotland yesterday announced interim pre-tax profits well above brokers' expectations and also predicted that its overheads, already considerably lower than those of its rivals, would fall further in the next few years.

The second biggest Scottish bank said pre-tax profits in the six months to end-August were £75.7m ($131.7m), 28 per cent lower than in the comparable period of 1990. The fall was the result of a sharp increase in provisions to cover bad and doubtful debts.

Brokers had expected profits of around £65m before tax. "Our revenues were more buoyant than they had expected," commented Mr Bruce Patullo, governor of the Bank of Scotland. The group made operating profits, before provisions, of £200.8m, a rise of 13 per cent. The rise in non-interest earnings was particularly rapid, at 28 per cent to £132m.

The ratio of Bank of Scotland's costs to its income, a key measure of efficiency, fell from 54.6 per cent to 52.6 per cent. "Management has targeted a cost-income ratio of 50 per cent," the company said.

That is around 15 per cent lower than the ratios of most of its rivals. Mr Patullo said the target would "cause our peer group to raise their eyebrows". But he added: "We are not in the habit of saying in public something we can't deliver."

In contrast with its rivals, Bank of Scotland has been increasing the volume of loans it grants at a fast rate. Average sterling lending increased by 7 per cent in the six months. Though it is the smallest of the English and Scottish clearing banks, it is ranked number two in terms of lending for management buy-outs.

On new loans, Bank of Scotland is earning a margin approximately ¾ percentage points wider than on its existing loan book. As loans to long-standing customers are renegotiated in the coming months and years the bank hopes to earn this better return on all its assets.

However, the widening in the margin was hidden by the absence of interest on the portfolio of bad and doubtful debts. This has cut more than £10m from interest receivable.

Bank of Scotland made a charge of £4m for the anticipated costs of its contribution to the Depositors' Protection Guarantee Fund, which would cover some of the losses suffered by depositors in the collapsed Bank of Credit and Commerce International.

The Scottish bank's specific provision against the cost of bad and doubtful debts was £112m, up from £56.7m. However, that was lower than the £125m charge made in the second half of last year.

Mr Patullo said: "Management would be very disappointed if the bad-debt charge did not fall in the second half of the year." However, he added, the bank was taking a cautious view of the prospects for economic recovery.

He said this caution was reflected in a decision to increase the interim dividend by 6.9 per cent to 1.7p, less than brokers had expected.

Lex, Page 18

Arbed slides to LFr3.2m and forecasts 30% fall for year

By Andrew Hill in Luxembourg

ARBED, the Luxembourg steel producer, yesterday warned that its full-year profits could fall by more than 30 per cent this year as global recession continues to hurt the industry.

The group announced that consolidated profits for the half-year had almost halved to LFr3.18bn ($93m) after tax, against LFr6.01bn in the first six months of last year. Mr Joseph Kinsch, who is to take over as the equivalent of group chief executive from the beginning of 1992, said full-year profits would probably reach LFr4bn, compared with LFr6bn in 1990.

Turnover was flat at LFr105bn for the first half, but that was mainly due to an increase in the number of consolidated subsidiaries, from 201 to 247. Adjusted for the increase, first-half turnover actually slipped by 5.2 per cent.

Arbed, which first warned of a drop in 1991 profits in May, has been hit by the economic slow-down in most industrialised countries. Recession in the west and economic disruption in eastern Europe cut the selling prices of the group's products in the first six months by 8 per cent.

Some 30 per cent of Arbed's annual sales are dependent on the construction industry, and a further 16 per cent on the automotive and transport sector. The group is presently working with only one month of orders; in better times, order books would be filled three or four months in advance.

Mr Georges Faber, Arbed's chief executive and chairman-elect, admitted yesterday that the economic background to the figures was sombre, but added: "We have continued to work on refining our structure to face up to this situation."

He said Arbed, Europe's fifth largest steel producer and number 13 in the world, was still looking for further industrial alliances to increase its weight on global markets. Arbed signed a sales and marketing agreement with Usinor Sacilor, the French steel group, in March, covering steel beams and sections. That accord will be followed by closer industrial collaboration from 1993.

Arbed is also planning to restructure its management, following an analysis of the group organisation by consultants. From the beginning of 1992, members of the group's management board, headed by Mr Kinsch, will be individually responsible for the different operations of the group.

Profits at Ilva dive to L298m for half-year

By Haig Simonian in Rome

ILVA, the Italian state-owned steel group, reported a severe slump in net profits in the first six months of this year, to just L298m ($239,657) from L113bn in the same period in 1990.

The company blamed the drop on a weaker market and surging interest charges, which rose to L397bn compared with L295bn in the first six months of last year. At the operating level, Ilva's profits of L448bn were in line with the L449bn reported in 1990.

The company has requested up to L1,200bn in new capital from its parent, the IRI state holding company, to reduce its heavy debt burden. So far, IRI has agreed to provide around L350bn, via the transfer to Ilva of Sofin, a cash-rich but inactive financial subsidiary.

Further financing may still be forthcoming and will depend partly on the outcome of a keenly-awaited supreme court decision next week which could unblock around L8,000bn in funds destined for IRI. However, the Italian government's decision, in this week's budget, not to make available some L5,300bn in other finance sought by the IRI group may have put Ilva's own request into jeopardy.

The fall in Ilva's earnings came despite a strong industrial performance, with sales rising by 17 per cent to L5,818bn in the first half.

Undimmed by a 4 per cent fall in demand in the Italian market, output rose to over 5.7m tonnes. However, the company, which is Europe's second-biggest steel producer, warned that improved productivity had only partly compensated for continuing cost rises over the past six months.

Steel prices in Italy had fallen 24 per cent from the peaks in 1989, and by 35 per cent in real terms, Ilva said. The falls reflected the downturn in the European steel industry, which has been accompanied by increasing price competition among manufacturers.

Despite its difficulties, Ilva's investment programme remained on target at L390bn in the first half.

Rivals unite in campaign to conquer

William Dawkins on the merger of two French advertising groups

JACQUES Séguéla, the late middle-aged *enfant terrible* of French advertising, was yesterday doing his effusive best to explain why he had just made a pact with an old enemy.

His group, Roux Séguéla Cayzac & Goudard (RSCG), the world's 14th biggest advertising agency, is merging with the world's number nine, Eurocom, to form what will be the sixth biggest player on the market and easily number one in Europe. It will have a staff of 8,000 and gross income of FFr6.4bn ($1.12bn) worldwide.

To cynical observers, it looked as if RSCG, laden with debt after its hectic takeover expansion of recent years, and faced with a sharp slowdown in the growth of its main markets, had been bailed out by cash-rich Eurocom, 44 per cent-owned by the powerful French media group, Havas.

The problems of RSCG, which took over Britain's Conran Design Group and the KLP sales promotion business last year, are similar to those of other rapidly-expanding French agencies, such as Boulet Dru Dupuy Petit.

They are struggling to digest a series of ambitious international takeovers, made just before the economic downturn began to hurt. Eurocom, too, has been busy recently reorganising itself after taking over the WCRS advertising agencies and buying the European network of HDM.

"It is possible that this could be the first step in a wider restructuring of the French advertising industry," says Mr Jean-Jacques Limage, analyst at James Capel's Paris office.

EUROPE'S ADVERTISING AGENCIES

	Gross income
Eurocom/RSCG	$886m
Publicis FCB	$422m
Young & Rubicam	$383m
Saatchi & Saatchi	$369m
McCann Erikson	$347m
Backer Spielvogel	$314m
Ogilvy & Mather	$313m
Lintas	$288m
Grey Advertising	$267m

Source: Advertising Age

Yet this is no distress takeover, but a merger with gains to both sides, stresses Mr Séguéla. He, incidentally, says he has buried his criticisms of the dominance of Eurocom. As advertisers' markets and, hence, their brands become more global, so must advertising agencies, he argues.

"What better way to meet this need than to create a group on the same scale as this new world that is being created?" he asks. Whatever reason, yesterday's marriage creates a mammoth, named Euro RSCG, which is more than twice the size of its nearest competitor in Europe, the French group Publicis.

Both partners earn around half of their gross income outside France, a total which they plan to lift to two-thirds within three years. Eurocom is present in 23 countries and has three agencies in the important US market – which accounts for more than half of world advertising spending. RSCG, number three in France, is present in 12 European countries, and also has three US agencies. Together, the partners are among the top 10 in most European countries and the top 15 in the US.

Details of the deal leave no doubt that Eurocom is in control. Mr Alain de Pouzilhac, Eurocom's chairman, will stay as chairman of the new group, with Mr Séguéla and his partner Mr Bernard Roux as vice-presidents.

Moreover, Havas is providing most of the cash. It will subscribe up to FFr350m to a FFr500m RSCG rights issue, with the balance coming from institutional shareholders. Havas will hold around 40 per cent in the new group, with another 11 to 13 per cent in the hands of RSCG's existing management shareholders. The cash will reduce RSCG's debts from FFr1bn to around FFr600m.

After the rights issue, Eurocom enters into the capital of RSCG, through a share exchange. It will represent around 75 per cent of the weighting of the new group, though the final parities will be sorted out in the next few weeks, to be presented to shareholders by the end of this year or early next year.

Beyond making both groups larger, what are the gains? The former Eurocom and RSCG teams will continue to operate separately on the French market, where they hold a combined 20 per cent share, so as to avoid clashes of interest with competing client brands. They will, however, pool their activities internationally, offering the scope for cost savings.

This means that job losses are inevitable at home and abroad, on top of the 135 departures announced by RSCG last month, warns Mr Jean-Michel Goudard, international chief executive for the new group. Directors will be touring the main offices over the next few weeks to work out where the new reductions will come.

The other obvious gain is an improvement in both group's muscle in the increasingly-competitive French media buying market. Over the past decade, agencies have come under pressure from Carat, the specialist buyer of advertising space, which now holds roughly 20 per cent of the market. Some agencies responded by forming their own buying groups, like The Media Partnership (TMP), of which RSCG is a member along with J Walter Thompson, Ogilvy & Mather and others.

Eurocom, by contrast, entered a partnership with Carat itself two years ago. But it broke off the alliance last July – a month after beginning talks with RSCG – partly because the French government had forbidden Carat and Eurocom to work jointly in France.

BAe shareholders support spin-offs

By Robert Peston, Charles Leadbeater and David White in London

SOME of British Aerospace's biggest shareholders said yesterday they wanted it to explore proposals from European defence groups interested in buying a stake and spinning off some of its businesses.

A group of UK financial institutions is trying to form a consortium to acquire the new shares being sold by BAe in its £432m rights issue. Institutional attention is focusing on Thomson CSF and Aerospatiale of France, and Daimler Benz of Germany to become members of any consortium.

"We have to move fast," said a leading financier. "The deadline is the end of October, when the rights issue closes. But the next 10 days are crucial."

The group has had no talks with BAe. An adviser to BAe said last night: "We believe there is no reason to break the company up. We are confident that the management changes we have made and the proceeds of rights issue will secure the company's future".

But one of BAe's shareholders said: "We would want to examine any proposals to break the company up. We are unhappy with way the board of directors have been acting. We believe the executive directors are just as much at fault for the company's problems as Sir Roland Smith."

Sir Roland resigned last week as chairman of the company after it launched its rights issue and said 1991 profits were likely to be half the £300m the City expected.

The consortium's plan would be to acquire control through its minority stake, keep the defence businesses and sell the rest. BAe is working hard to reassure its shareholders. It believes recent meetings with them have been successful.

In a separate development, the General Electric Company denied reports that negotiations were already under way with BAe on the possibility of GEC taking a stake in the aerospace group.

A senior GEC director told some of its US institutional investors that the company was watching developments at BAe very closely, although it was proceeding with extreme care.

It seems increasingly likely that BAe will come under pressure to talk to GEC if its financial crisis proves to be more protracted than expected.

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Allianz warns of loss after setback in east Germany

By David Waller in Frankfurt

LOSSES at Allianz's eastern subsidiary would mean that Europe's largest insurance company is this year likely to post its first deficit on its mainstream underwriting business, the outgoing chairman of Allianz's management board warned at yesterday's annual meeting in Munich.

Mr Wolfgang Schieren told shareholders that losses at the eastern German Deutsche Versicherungs, in which Allianz has a 51 per cent stake, would be clearly higher in 1991 than last year.

However, he emphasised that higher earnings from capital investments, combined with lower write-offs, would mean that Allianz would turn in a "presentable" overall profit for the year and that the dividend could be preserved at its 1990 level of DM13.50 per share.

Reflecting the consolidation for the first time of Fireman's Fund of the US and the eastern German company, group premium income rose by nearly 37 per cent to DM26bn ($15.6bn) in the the first six months of the current year.

Stripping out the effect of these acquisitions, underlying growth in domestic premium income was 11.3 per cent while growth in foreign income was just short of 10 per cent, Mr Schieren said. Total premium income for the year was likely to rise by about 25 per cent to about DM48bn.

Allianz, which in July reported a 9 per cent drop in pre-tax profits for the last financial year, is expecting to lose about DM500m on its eastern German business this year.

It is keen to buy the remaining 41 per cent of the Deutsche Versicherungs from the Treuhand, the privatisation agency for eastern Germany, but Mr Schieren said the purchase would only happen if it were on terms which reflected "the considerable personnel and financial investment costs".

Allianz's shares fell by DM22 to DM2,010 yesterday.

Chrysler share sale raises $354m

By Martin Dickson in New York

CHRYSLER, the financially-stretched US motor manufacturer, has raised $354m through the sale of 35m shares of its common stock, bringing to a successful conclusion a lengthy campaign to woo equity investors worldwide.

The company's share offering was increased from 33m to 35m because of over-subscription, said market sources, and was priced at $10¼ a share – no discount to Tuesday's closing price in New York. At mid-session yesterday they were $10⅞.

Some 30m shares have been alloted to the US market – 2m more than the original plan – and 5m for international investors. The issue was underwritten by five Wall Street houses, headed by Salomon Brothers. Once the underwriters' fees are subtracted, the company will be left with about $337.9m.

The 35m shares do not include an option for the underwriters to buy 5m more from Chrysler to cover over-allotments.

Chrysler, the smallest of the US big three motor manufacturers, faces a severe cash squeeze in maintaining heavy capital investment on new model development amid the worst downturn for a decade in the US automotive market.

Koor optimistic after struggle for survival

Hugh Carnegy on escape from bankruptcy at Israel's largest industrial conglomerate

THE scene could only have been set in Israel, where business and politics mix in a singular economic cocktail, spiced by a squirt of religion. Gathered to celebrate the emergence of Koor Industries from mountainous debts and cavernous losses, three men posed in an incongruous trio for the cameras.

On one side, in open-necked shirt, sat Mr Yisrael Kesar, head of the Histadrut trade union federation which made Koor the industrial embodiment of secular, socialist Zionism. On the other, in black coat and huge *"shtreimel"* fur hat, sat Rabbi Moshe Feldman of the ultra-orthodox Agudat Israel party who, as chairman of the Knesset finance committee, had to approve the state's contribution to Koor's rescue.

Between them, proudly proclaiming his Roman Catholicism, stood Mr Phil Zegarelli, the smartly-suited Manufacturers Hanover executive who led Koor's foreign creditors in the many disputatious months of negotiations over the group's $1.2bn debts.

The labour leader, the rabbi and the New York banker came together – with many others – at the signing of an agreement to restructure Koor's debts, recapitalise the group and relaunch Israel's largest industrial conglomerate after a period of prolonged difficulty when bankruptcy and break-up threatened.

Avoiding that was reason enough for celebration. For the Israeli economy, however, much still hangs on the extent to which Koor has been transformed from lumbering dinosaur into an efficiently structured, well-managed group capable of long-term profits.

The crisis crashed over Koor in the form of a $250m loss in 1987. The Histadrut, which owned Koor through its ownership arm, Hevrat Ha'ovdim (The Workers' Society), appointed Mr Benjamin Gaon to sort out the mess.

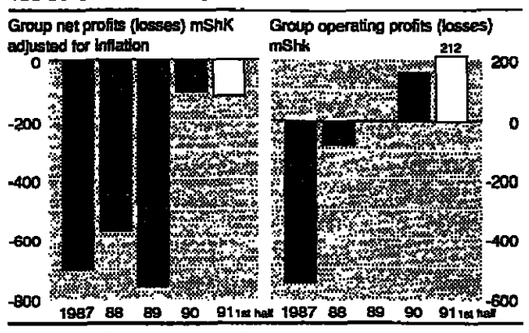
From the start, it was clear that if Koor was to be salvaged, a revolution in corporate culture had to be achieved. Hevrat Ha'ovdim's *raison d'etre* had been to build an industrial base for the state and provide employment. Profits were not the priority.

By the mid-1980s, however, Koor had become a bloated agglomeration of companies employing 32,000 people in a range of activities from food and construction to electronics and weaponry. It produced 10 per cent of Israel's industrial output, but not profits.

"I came to the shareholders with the 1987 financial statement and said: 'Listen. We have to engage in the toughest recovery plan ever attempted in this country,'" recalls Mr Gaon, a marketing man with long experience within Koor companies. "'You will have to accept a plan in which the profit motive is the name of the game.'"

Mr Gaon says trade union leaders accepted this. Another blow, however, soon threatened to engulf him. Bankers Trust of New York, one of a group of foreign banks nervous about their collective $200m Koor exposure, filed a liquidation suit in October 1988. By mid-1989, a deal with all creditors, including the Israeli banks which had the biggest exposure of $600m, had been hammered out. But it collapsed before it was signed when previously undisclosed losses at Tadiran, the electronics maker that is Koor's biggest subsidiary, were disclosed.

Koor Industries



From that moment, most of the headlines generated by Koor concerned endless wrangling between the various parties over a rescue package. At one bizarre point, Mr Roy Disney, nephew of Walt, proposed taking over Koor – but only if someone else swallowed much of the debt.

Meanwhile, however, Mr Gaon and his remoulded management team were plugging away at turning Koor around. Mr Gaon was viewed with scepticism by the foreign creditors. They worried that, despite his brash assurances – he once pointed out to them that Gaon means genius in Hebrew – he was not getting to grips with the difficulty. However, by the time last week's debt deal was closed, Koor had undoubtedly undergone deep change. The Histadrut has accepted that profitability must be the top priority. It has allowed Mr Gaon to shed more than 12,000 workers, bringing the number of employees at Koor down to fewer than 20,000. It has also reversed generations of ideology and accepted that its companies may go public.

Above all, the Histadrut has accepted – albeit under duress – that it will no longer have majority control of Koor. Under the terms of the restructuring agreement, it will have less than 26 per cent, with the Israeli banks becoming collectively the biggest shareholders. The days of socially-directed management seem to be over.

Koor is now structured as a holding company with day-to-day management left to individual companies. Headquarters staff have been cut from 400 to 70. The spread of business is still great, but companies in the group, once meshed in a maze of loans, agreements and guarantees, have been disentangled and reformed as stand-alone units.

Profits have returned. Soltam, a heavy weapons maker, is still suffering big losses. However, subsidiaries like Tadiran, the chemicals company Makhteshim and the telecommunications company Telrad are in the black. Koor reported an operating profit in the first six months of this year of Shk212m ($90m), 8.3 per cent of sales, compared with Shk129m in the 1990 first half.

With annual turnover near $2.5bn, sales are not far short of pre-crisis levels with 40 per cent fewer workers. In Tadiran, where the workforce has been halved to 6,500, sales per employee are up to $100,000 from a low of $48,000.

"You can't tell me this is not a promising company," says Mr Gaon, as he looks to a future beyond the debt crisis. Even Mr Zegarelli of Manufacturers Hanover, long the sceptic, now says Koor has a future "if they really get down to work in the next year".

Koor still has a debt of $750m, against equity of $150m. Mr Gurion Meltzer, chief executive of Tadiran, says: "The change in corporate culture at Koor has happened. But we're telling managers: 'Don't think we've solved the problem.' We still have to pay off our debts and we have to build up our capital."

Inter-Pacific agrees to sell lottery business

By Lim Siong Hoon in Kuala Lumpur

INTER-PACIFIC, the Malaysian conglomerate, is to sell its most profitable Sports Toto lottery operations in the biggest shake-up of the group since Mr Vincent Tan, chief executive, launched a bid for Malayan United Industries (MUI), another conglomerate.

The M$600m (US$219m) deal with Far East Assets, a small, loss-making property group, will leave Sports Toto almost a shell company and Berjaya, its parent, without one of its biggest earners. Berjaya is 60 per cent owned by Inter-Pacific.

For the year to April, Sports Toto earned M$57m in pre-tax profit on turnover of M$298m. It has a market capitalisation of about M$830m.

Sports Toto said it would gain almost M$544m from the sale, which includes three other small subsidiaries dealing in computers, garments and sports equipment.

The sale follows a ruling from the Ministry of Finance that Inter-Pacific must divest its gambling business if the group is to acquire 33 per cent of MUI, the shareholding level which triggers a mandatory general offer.

The sale also appears damaging for Mr Khoo Kay Peng, the MUI chairman, who is attempting to challenge the bid with a counter-offer for 38 per cent of Inter-Pacific. In the hostilities between them, Mr Tan has raised his personal stake in Inter-Pacific to 51 per cent.

Sports Toto is to receive M$209m cash from its disposal and a further M$391m in 9 per cent, five-year convertible loan stocks, of which M$111m are to be offered to its minority shareholders and to Far East Assets.

Far East Assets has an accumulated loss of nearly M$23m and assets of M$11m. However, its biggest shareholder, MWE Holdings, a listed industrial and property group, has assets of M$126m at last December and a 1990 revenue of nearly M$246m.

Public Bank of Malaysia agrees Vietnamese venture

By Lim Siong Hoon

PUBLIC Bank, Malaysia's fourth largest commercial banking group in terms of assets, has agreed to start the first Malaysian bank in Vietnam in a joint venture with the Bank for Investment and Development of Vietnam.

Agreement on the joint venture had been signed on Monday, the group said, and a formal application for a banking licence would be submitted to the State Bank of Vietnam.

The new bank, named VID Public, is to be equally shared between the partners.

The Vietnamese venture represents Public's third overseas investment. In Hong Kong, the group operates a finance company with 29 branches and a restricted licence bank; in New Zealand, it has 40 per cent in Bancorp, the merchant and investment banking group. Additionally, it has approval from Sri Lanka to open a branch there.

The group's domestic strength lies primarily in retail banking, through 148 branches.

For the six months to June, operating income rose nearly 37 per cent to M$467m (US$170.1m) from M$342m in the earlier period. Pre-tax profit increased 45 per cent to M$81m, of which 18 per cent was derived from its offshore operations. Attributable profits jumped 189 per cent to M$52m.

At the end of June, group assets stood at close to M$11bn, up 27 per cent from a year earlier.

Bow Valley seeks to make C$1bn acquisition

BOW Valley Industries, the Alberta oil and gas producer which is 54 per cent-owned by British Gas, is seeking to double its size through an acquisition costing up to C$1bn (US$880m), writes Bernard Simon in Toronto.

Mr Jerry Wright, chief executive, told analysts in Toronto that the company wanted to increase its exposure to oil with the purchase of further reserves in western Canada.

Mr Wright said the company's resources would be better spent on an acquisition than on new capital projects, and that it was presently identifying potential targets.

British Gas bought its stake in Bow Valley for C$516m in 1988. The UK company expanded into North American gas distribution last year with the purchase of Ontario-based Consumers Gas, Canada's biggest gas utility.

Bow Valley earned C$7.2m in the first six months of this year on revenues of C$142.7m. Mr Wright predicted that income in 1992 would be little changed from this year, with lower oil and gas output being offset by a further clampdown on costs.

The company's long-term debt totalled C$126m at the end of last year.

Last year's production averaged 34,100 barrels a day of oil and 173,000 cubic feet of gas. In addition to its holdings in western Canada, the company has interests in the North Sea and Indonesia.

Bow Valley said it expected to spend about C$240m on capital projects during the next year and slightly less than that in 1993.

Henderson's 14.9% rise matches expectations

By Angus Foster in Hong Kong

HENDERSON Land Development, one of Hong Kong's largest property developers, yesterday announced a 14.9 per cent increase in net profits for the year to the end of June. The results were at the top end of expectations.

The company, which has benefited from rapid price rises in its main market of small to medium residential property, reported net profits of HK$2bn (US$258.2m), compared with HK$1.74bn a year ago.

Henderson is recommending a final dividend of 24 cents to take total dividends for the year to 40 cents, up 14.3 per cent.

Mr Lee Shau Kee, chairman, said prices for new residential flats increased by 40 per cent on average in the last six months.

He said the outlook remained promising because of low interest rates, full employment and high inflation.

Income from investment properties gained 38 per cent to HK$183m, reflecting the company's growing emphasis on rental income.

Henderson has also continued to resupply its land bank, acquiring 10 sites to take its total development land bank to 17m square feet.

The company's 72 per cent-owned subsidiary Henderson Investment, a property and investment holding company, announced a 12 per cent increase in net profits of HK$640.3m in the year to the end of June. Turnover increased 19.7 per cent to HK$743m.

The company's main investment, a 31 per cent stake in Hongkong and China Gas, performed well. Towngas, as it is also known, earlier announced a 15.9 per cent rise in interim profits to HK$388.7m.

Henderson Investment is recommending a final dividend of 11.5 cents a share, to take total dividends for the year to 17 cents, a 13 per cent increase on last time.

Wal-Mart buys Phillips

By Nikki Tait in New York

WAL-MART, the fast-growing US discount retailer, yesterday announced that it was buying Phillips Companies, a privately-owned food retailer, for an undisclosed sum.

Like Wal-Mart, Phillips is based in Arkansas. It takes in 17 Food-4-Less discount food stores and three Phillips supermarkets.

Wal-Mart, which has grown from one general store in Arkansas 30 years ago to become the nation's largest retailer, said that it would operate Phillips as an autonomous subsidiary. It said that the stores would continue to trade under their existing names.

Wal-Mart has traditionally sold general merchandise items, but has been moving into the food area more recently.

Carter Hawley junk bonds rise

By Nikki Tait

JUNK bonds in Carter Hawley Hale, the bankrupt US department store group, rose sharply yesterday after the Zell/Chilmark fund sweetened its offer for the outstanding claims against the company.

The Zell/Chilmark fund – which is controlled by Mr Sam Zell, the Chicago-based investor – was set up to specialise in troubled situations.

It made an offer for the bonds and supplier claims in Carter Hawley Hale, which filed for Chapter 11 bankruptcy protection earlier this year, in July.

At that stage, the tender offer was set at 40 per cent of the claims' face amount.

However, in the face of objections from creditors, this has been revised to 47 cents on the dollar, and the creditors' committee is recommending the revised terms.

Assuming the offer is successful, the Zell/Chilmark fund will become by far the largest creditor in the stores group.

It will have the whip-hand in negotiating the reorganisation plan, and could well emerge as the group's largest shareholder after reorganisation.

Australia braces for surge in capital demand

An extended round of rights issues and privatisations is expected, writes Kevin Brown

AUSTRALIA'S financial institutions are struggling with a flood of fund-raising ideas as brokers and merchant bankers gear up for an extended round of rights issues, privatisations and corporate unbundlings.

The scale of the likely requirement for capital is difficult to judge because of uncertainties about the size and timing of individual companies' financial strategies, and political hurdles standing in the way of some privatisations.

However, market estimates indicate that demand is likely to total between A$15bn (US$12bn) and A$20bn over the 18 months to the end of next year, particularly if the Australian economy recovers from recession as forecast.

Three main groups of companies are driving the increase in demand:

● Those that emerged from the 1980s with uncomfortably high net debt-to-equity ratios see an opportunity in the improving economy and a rising local stock market to repair their balance sheets.

This group includes companies such as TNT, the international transport group, which analysts say may require around A$500m to recover from problems caused by excessive investment in a European express distribution network.

Other companies are likely to follow the example of Pacific Dunlop, the diversified manufacturing group, which recently announced a A$672m rights issue to restore cash levels following the A$350m acquisition of Petersville Sleigh from the Adelaide Steamship (Adsteam) group.

The big trading banks, which have suffered a debt crisis because of over-lending to failed entrepreneurs, are also tipped to follow the example of National Australia Bank, which recently raised A$1bn through a rights issue.

● Several big privatisations have been announced by the federal government, including Australian Airlines, a leading domestic carrier; Aussat, the satellite company which is to form the basis of a second telecommunications carrier; and 49 per cent of Qantas, the international airline.

State governments are also looking at the possibility of privatising banks, insurance companies and utilities. Few are as advanced as New South Wales, which has announced the sale of the GIO insurance group, and is expected to sell the State Bank of NSW and parts of the electricity generating system later.

The prospects for successful privatisations were boosted by the recent flotation by the federal government of 30 per cent of the Commonwealth Bank, which is trading at a premium of more than A$1 to the A$5.40 issue price.

MAJOR CAPITAL REQUIREMENTS (A$m) (June 91 to Dec 92)

Commonwealth Bank	1,300
Pacific Dunlop	672
National Australia Bank	1,000
Fairfax Group	1,200
Woolworths	1,200
David Jones	700
Australian Airlines	750
Qantas	1,000
GIO	1,500
Aussat	800
State Bank of NSW	600
NSW Electricity Assets	1,200
Other	4,000
Total	15,922

Source: industry estimates/brokers' valuations (estimates vary widely)

● Significant parts of Australian industry have fallen into the hands of bankers as a result of the corporate excesses of the late 1980s, including two television networks, the Fairfax newspaper group, and Adsteam, once run by Mr John Spalvins.

Most of the banks are keen to dispose of their holdings quickly and are likely to try to float or sell them, either in their existing form or by unbundling the most attractive assets. For example, Adsteam's Woolworths and David Jones retail chains are thought to be candidates for flotation at around A$1.2bn and A$500m respectively.

The impact that increased demand for capital will have on the stock market is unclear, but most analysts agree the market is unlikely to suffer a bout of indigestion. This is partly because much of the capital being sought will be injected directly by Australian and overseas interests in the form of cash-funded acquisitions or trade purchases of privatisation shares.

For example, Aussat will be sold to a private-sector consortium, while the two government airlines will be offered to trade investors first, with only a minority of shares available for flotation.

Some of the crashed companies being run by the banks will probably be sold this way as well, including the television stations and Fairfax, although partial flotations or placements may form a part of the financing.

There is unlikely to be a shortage of corporate cash, especially if the assets are keenly priced. One broker estimates that 11 large Australian and New Zealand companies alone are holding cash balances of around A$9.5bn.

The result is likely to be a relatively small fund-raising task for the stock market.

Mr Ian Wenham, director of research at BZW Australia, says the value of equity issues on the Australian Stock Exchange in the year to June 1992 is likely to be around A$8bn, including dividend reinvestment programmes.

This is around the same level as last year, and well below the peak of A$9.5bn in 1987, even without adjusting for inflation. As a proportion of market capitalisation it works out at around 4 per cent – a relatively undemanding task compared with the peak of 8 per cent in 1979, when A$5.8bn was raised.

"I think the capital raisings which are likely [to go ahead] can be absorbed fairly easily," said Mr Wenham.

In the longer term, the supply of capital available for investment is being increased through a superannuation levy introduced by the federal government to force Australians to save for their old age.

The net flow of funds is now between A$7bn and A$10bn, but will increase to between A$12bn and A$16bn a year when the levy increases from 3 per cent to 5 per cent of salaries next year.

Few see much difficulty in finding a use for the cash: "Australia is the land of the eternal optimist," says Mr Doug Lavers, director of investment operations for Colonial Mutual. "There has never been any problem in spending money."

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

½ hour period ending	Provisional Price for Trading on 03.10.91 Pool purchase price £/MWh	Final Prices for Trading on 05.09.91 Pool purchase price £/MWh	Pool selling price £/MWh
0030	15.85	14.07	16.64
0100	15.83	14.07	16.65
0130	15.83	16.25	16.25
0200	15.88	14.07	16.65
0230	15.87	16.27	16.27
0300	15.87	16.25	16.25
0330	15.85	16.19	16.19
0400	15.86	16.19	16.19
0430	15.83	16.19	16.19
0500	15.83	16.19	16.19
0530	15.86	16.25	16.25
0600	15.83	16.32	16.32
0630	15.95	18.05	20.70
0700	18.07	19.39	22.06
0730	18.48	22.23	24.99
0800	24.92	22.39	25.19
0830	35.81	23.69	26.60
0900	43.14	24.24	27.31
0930	46.80	27.60	30.89
1000	47.41	27.87	31.23
1030	44.53	27.91	31.29
1100	41.50	27.88	31.26
1130	40.38	25.44	28.87
1200	38.69	25.67	29.16
1230	36.97	25.10	28.41
1300	26.84	24.30	27.39
1330	22.15	26.25	29.16
1400	20.54	26.15	29.02
1430	19.25	23.35	26.14
1500	18.10	23.34	26.13
1530	18.52	23.36	26.15
1600	20.04	23.47	26.31
1630	22.71	23.55	28.53
1700	31.37	26.44	29.40
1730	30.99	26.29	29.18
1800	26.57	26.05	28.92
1830	22.27	23.23	25.99
1900	33.46	18.64	18.64
1930	34.72	23.70	23.70
2000	38.39	24.02	24.02
2030	32.00	22.86	25.63
2100	23.76	23.25	26.01
2130	21.88	22.87	25.62
2200	17.93	22.62	25.36
2230	17.89	19.54	22.19
2300	17.57	18.60	21.43
2330	16.09	18.50	21.14
2400	15.92	18.12	20.75

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £16.88/MWh becomes 1.688p/KWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The provisional Pool Purchase Price is subject to revision or correction until final pool prices are determined approximately twenty-four days after the day of trading. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Final pool prices are also capable of revision.

NGC Settlements Limited

LEGAL NOTICES

HOMES OF WORTH LIMITED IN ADMINISTRATIVE RECEIVERSHIP

NOTICE IS HEREBY GIVEN, pursuant to Section 48(2) of the Insolvency Act 1986, that a *meeting of the unsecured creditors of the* above named company will be held at The Grand Hotel, Colmore Row, Birmingham on Friday 11 October 1991 at 11.00am for the purpose of having laid before it a copy of the report prepared by the Joint Administrative Receivers under Section 48 of the said Act. The meeting may, if it thinks fit, establish a committee to exercise the functions con*ferred on creditors' committees by or under* the Act.

Creditors are only entitled to vote if;

(a) they have delivered to us at 43 Temple Row, Birmingham, B2 5JT, no later than noon on 10 October 1991, written details of the debts they claim to be due to them from the company, and the claim has been duly admitted under the provisions of Rule 3.11 of the Insolvency Rules 1986; and
(b) there has been lodged with us any proxy which the creditor intends to be used on his or her behalf.

Please note that the original proxy signed by or on behalf of the creditors must be lodged at 43 Temple Row, Birmingham, B2 5JT: photocopies (including faxed copies) are not acceptable.

Dated: 25 September 1991

John F Powell and Ian N Carruthers
Joint Administrative Receivers

IN THE MATTER OF MIKE POPE LIMITED AND IN THE MATTER OF THE INSOLVENCY ACT 1986

In accordance with Rule 4.106 of The Insolvency Rules 1986 notice is hereby given that I, Peter Scholey Dunn FCA, a Licensed Insolvency Practitioner of Latham Crossley & Davis, 45 Conduit Street, London W1R 9FB, was appointed Liquidator of the above Company by the Creditors on 16th September 1991.

Dated this 16th September 1991
Peter Scholey Dunn FCA, Liquidator
Latham Crossley & Davis
45 Conduit Street, London W1R 9FB

IN THE MATTER OF ARCHWAY INTERNATIONAL PRODUCTS CORPORATION LIMITED AND IN THE MATTER OF THE INSOLVENCY ACT 1986

In accordance with Rule 4.106 of The Insolvency Rules 1986 notice is hereby given that I, Peter Scholey Dunn FCA, a Licensed Insolvency Practitioner of Latham Crossley & Davis, 45 Conduit Street, London W1R 9FB, was appointed *Liquidator* of the above Company by the Creditors on 17th September 1991.

Dated this 17th September 1991
Peter Scholey Dunn FCA, *Liquidator*
Latham Crossley & Davis
45 Conduit Street, London W1R 9FB

IN THE MATTER OF JOHN DAVID MUSIC LIMITED AND IN THE MATTER OF THE INSOLVENCY ACT 1986

In accordance with Rule 4.106 of The Insolvency Rules 1986 notice is hereby given that I, Peter Scholey Dunn FCA, a Licensed Insolvency Practitioner of Latham Crossley & Davis, 45 Conduit Street, London W1R 9FB, was appointed Liquidator of the above Company by the Creditors on 30th September 1991.

Dated this 30th September 1991
Peter Scholey Dunn FCA, Liquidator
Latham Crossley & Davis
45 Conduit Street, London W1R 9FB

LIVERNA LIMITED (IN ADMINISTRATIVE RECEIVERSHIP)

NOTICE IS HEREBY GIVEN pursuant to Section 48 (2) of the Insolvency Act 1986, that a Meeting of the Unsecured Creditors of the above-named Company will be held at the offices of Robson Rhodes, 186 City Road, London EC1V 2NU, on the 24th day of October 1991 at 10.30 o'clock in the forenoon, for the purpose of having laid before it a copy of the report prepared by the Administrative Receivers under section 48 of the said Act. The meeting may, if it thinks fit, establish a creditors' committee to exercise the functions conferred on by or under the Act.

Creditors are only entitled to vote if:

a) they have delivered to us at the address shown above, no later than 12.00 hours on the business day before the meeting, written details of the debts they claim to be due, and the claim has been duly admitted under the provisions of the Insolvency Rules 1986 and
b) there has been lodged with us any proxy which the creditor intends to use on his behalf.

Dated this 27th day of September 1991
V M Bairstow and N H Cooper
Joint Administrative Receivers
NOTE: Creditors may obtain a copy of the report, free of charge, on application to the administrative receivers at the address shown below.

SILVERSCREEN LIMITED

Registered number: 1728578
Nature of business: Process Printers
Trade classification: 10
Date of appointment of joint administrative receivers:
4 September 1991
Name of person appointing the administrative receivers:
Barclays Bank Plc

JOSEPH PATRICK CONSIDINE
and RICHARD ANTHONY SMART
Joint Administrative Receivers
(office holder nos 056 and 288)

Cork Gully
Churchill House
Churchill WayCardiff
CF1 4XQ

NOTICE OF APPOINTMENT OF JOINT ADMINISTRATIVE RECEIVERS LISTER DREW HAINES BARROW LTD

Registered No: 1210063 Registered in England
Former company name(s): Lister Drew & Associates Limited
Nature of business: Architectural Practice
Trade Classification: 38
Date of appointment of joint administrative receivers: National Westminster Bank Plc

T R Harris R M Addy
Joint Administrative Receivers
(Office holder nos 2129 and 1031)
Cork Gully, Shelley House, 3 Noble Street, London EC2V 7DQ.

D'ITALIA DESIGNER COLLECTION LIMITED (IN ADMINISTRATIVE RECEIVERSHIP)

NOTICE IS HEREBY GIVEN pursuant to Section 48 (2) of the Insolvency Act 1986, that a Meeting of the Unsecured Creditors of the above-named Company will be held at the offices of Robson Rhodes, 186 City Road, London EC1V 2NU, on the 24th day of October 1991 at 10.30 o'clock in the forenoon, for the purpose of having laid before it a copy of the report prepared by the Administrative Receivers under section 48 of the said Act. The meeting may, *if it thinks fit*, establish a creditors' committee to exercise the functions conferred on by or under the Act.

Creditors are only entitled to vote if:

a) they have delivered to us at the address shown above, no later than 12.00 hours on the business day before the meeting, written details of the debts they claim to be due, and the claim has been duly admitted under the provisions of the Insolvency Rules 1986 and
b) there has been lodged with us any proxy which the creditor intends to use on his behalf.

Dated this 27th day of September 1991
V M Bairstow and N H Cooper
Joint Administrative Receivers
NOTE: Creditors may obtain a copy of the report, free of charge, on application to the administrative receivers at the address shown below.

L'ULTIMA DESIGNER COLLECTION LIMITED (IN ADMINISTRATIVE RECEIVERSHIP)

NOTICE IS HEREBY GIVEN pursuant to Section 48 (2) of the Insolvency Act 1986, that a Meeting of the Unsecured Creditors of the above-named Company will be held at the offices of Robson Rhodes, 186 City Road, London EC1V 2NU, on the 24th day of *October 1991 at 10.30 o'clock in the forenoon*, for the purpose of having laid before it a copy of the report prepared by the Administrative Receivers under section 48 of the said Act. The meeting may, if it thinks fit, establish a creditors' committee to exercise the functions conferred on by or under the Act.

Creditors are only entitled to vote if:

a) they have delivered to us at the address shown above, no later than 12.00 hours on the business day before the meeting, written details of the debts they claim to be due, and the claim has been duly admitted under the provisions of the Insolvency Rules 1986 and
b) there has been lodged with us any proxy which the creditor intends to use on his behalf.

Dated this 27th day of September 1991
V M Bairstow and N H Cooper
Joint Administrative Receivers
NOTE: Creditors may obtain a copy of the report, free of charge, on application to the administrative receivers at the address shown below.

CATERING & BAKERY PACKAGING

We, J M Iredale and N J Vooght of Cork Gully, 9 Greyfriars Road, Reading, berkshire RG1 1JG, were appointed Joint Administrative Receivers of Catering & Bakery *Packaging Limited, registered Number* 1232818, by Barclays Bank Plc on 23 September 1991.

CLUBS

INTERNATIONAL CAPITAL MARKETS

Increase in US new home sales sparks profit-taking

By Sara Webb in London and **Patrick Harverson** in New York

A SHARP rise in new monthly home sales prompted a round of profit-taking yesterday, leaving US bond prices lower across the board.

In late afternoon trading, the benchmark 30-year bond was down ⅛ at 103⅞, yielding 7.822 per cent. The two-year note held up slightly better, easing ⅛ to 100⅜, to bear a yield of 5.990 per cent.

The market weakened after the commerce department announced that new home sales rose 6.7 per cent in August, a far steeper increase than analysts had been expecting.

Also, the big decline in July of 8.5 per cent was revised downwards to show a fall in the month of just 2.7 per cent. The August rate is the highest since July last year, before the Gulf war had affected economic activity.

Although the home sales data led to steady selling, the underlying tone of the market remained firm, analysts said. Dealers and investors are continuing to look for another cut in interest rates if tomorrow's September employment numbers show weak labour market conditions persisting.

Hopes of easier policy were boosted by reports in a Washington newsletter that the Federal Reserve's Open Market Committee, which met on Tuesday, is leaning toward another cut in interest rates.

GOVERNMENT BONDS

■ TAP sales of the Dutch government's 10-year bond raised a further Fl500m yesterday, bringing total bond sales this week up to Fl4.9bn.

The Dutch Finance Ministry agency raised Fl6.75bn of the 8.75 per cent bond due 2001 in August and re-opened the tap on Monday.

Traders reported further switching out of German 10-year bonds into the Dutch tap issue yesterday, but said the amount sold was lower than on the first two days of the tap because the bond's price has been increased.

Meanwhile, the German government bond market opened strongly but fell later in the day to finish slightly lower. The Liffe bund futures contract opened at 85.95 and reached a high of 86.08 before falling to 85.91.

Traders are expecting the German bond consortium to set terms for a new federal bond next Tuesday.

There is some speculation that the bond will have a 10-year maturity.

■ LONG-dated UK government bonds slipped yesterday in low volumes, while short-dated issues were almost unchanged on the day. Traders noted the gilt market was experiencing a quiet patch following its strong rally in the third quarter.

"The market is moving in sympathy with the overseas markets for want of any significant UK economic data" one dealer said yesterday.

He added the forthcoming Conservative party conference and retail price index due out on October 11 could provide some stimulus for the market.

The benchmark 11¾ per cent gilt due 2003/07 fell to 115 from its opening price of 115⅛.

■ JAPANESE government bonds slipped yesterday in dull trading. The yield on the benchmark No 129 bond opened at 5.875 per cent and closed at 5.885 per cent, while the December futures contract moved up to a high of 99.98 before falling to close at 99.86 in Tokyo.

Traders said that the futures contract faces strong resistance at around the 100 level.

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
AUSTRALIA		12.000	11/01	111.3050	+0.467	10.18	10.42	10.70
BELGIUM		9.000	06/01	98.5000	+0.100	9.07	9.15	9.24
CANADA *		9.750	12/01	104.4500	+0.050	9.07	9.25	9.66
DENMARK		9.000	11/00	99.8750	-0.025	9.06	9.08	9.24
FRANCE	BTAN	8.500	11/96	97.9818	+0.236	9.00	9.05	9.11
	OAT	9.500	01/01	104.0900	-	8.82	8.84	8.93
GERMANY		8.750	08/01	102.8500	+0.200	8.31	8.43	8.42
ITALY		12.500	03/01	99.9100	+0.130	12.90	12.98	13.31
JAPAN	No 119	4.800	06/99	92.4730	+0.002	6.24	6.34	6.61
	No 129	6.400	03/00	102.8526	-0.059	5.90	6.01	6.30
NETHERLANDS		8.500	09/01	98.5200	+0.130	8.72	8.79	8.75
SPAIN		11.900	07/96	101.5700	-0.090	11.41	11.29	11.56
UK GILTS		10.000	11/96	101-14	-	9.63	9.65	9.91
		10.000	02/01	102-21	-02/32	9.56	9.59	9.87
		9.000	10/08	97-02	-08/32	9.35	9.36	9.65
US TREASURY *		7.875	08/01	102-24	-08/32	7.47	7.58	7.81
		8.125	08/21	103-11	-12/32	7.83	7.88	8.05

London closing, *New York closing
Prices: US, UK in 32nds, others in decimal

Yields: Local market standard
Technical Data/ATLAS Price Sources

Japan to increase checks on issue of warrants

JAPAN'S Ministry of Finance is to increase its checks on Japanese companies' issuance of warrant bond in the Euromarket, Mr Nobuhiko Matsuno, director-general of securities bureau told parliament, Reuter reports.

The ministry will investigate whether underwriters have sufficiently explained the risks of warrants to small Japanese investors, Mr Matsuno said. He did not, however, describe the MoF's planned actions in greater detail.

Many investors have incurred large losses as some warrants issued over the past five years expired worthless.

In the late 1980s, the sharp rise in the Tokyo stock market allowed Japanese companies to issue warrant bonds at favourable terms that were tantamount to "free money."

Investors were willing to accept extremely low interest rates on the bonds because the attached warrant to buy the company's shares was seen as a guarantee of large capital gains.

But the collapse of the stock market last year made it unprofitable to exercise many warrants and warrant prices dropped precipitously.

Outstanding warrant bond issues total 420, at an issued value of Y15,000bn, a Diet (parliament) member estimated.

FT/AIBD INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Closing prices on October 2

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
ABBEY NATIONAL 8 7/8 93	150	102⅞	103½		6.67
ALBERTA PROVINCE 9 3/8 95	600	106⅞	107⅜	+⅛	7.35
AUSTRIA 8 1/2 00	400	102⅞	103¼		8.00
BANK OF TOKYO 8 3/8 96	100	101⅞	102⅜		7.84
BELGIUM 9 5/8 98	250	108½	109		7.94
BFCE 7 3/4 97	150	100½	101⅛		7.62
BNP 8 5/8 94	300	104⅜	104⅞		6.86
BP CAPITAL 9 5/8 93	150	103⅞	104⅛		6.75
CANADA 9 96	1000	106⅜	106⅝		7.24
CARCO 9 1/4 96	650	102⅝	103⅛		8.56
CCCE 9 1/4 95	300	106¼	106⅝		7.10
COUNCIL EUROPE 8 96	100	102	102½		7.48
CREDIT FONCIER 9 1/2 99	300	108¼	108⅝		7.96
DENMARK 0 98	250	59½	60	+¼	7.88
DENMARK 8 1/4 94	150	103½	104		6.81
ECSC 8 1/4 96	193	103¼	103⅞		7.46
EEC 7 1/4 93	250	100⅞	101⅛		6.54
EIB 7 3/4 96	250	102	102⅜		7.23
EIB 9 1/4 97	1000	107¼	107⅝		7.71
ELEC DE FRANCE 9 98	200	105⅞	106⅜		7.79
EUROFIMA 9 1/4 96	100	105⅝	106½		7.69
EXPORT DEV CORP 9 1/2 98	150	108	108⅝		7.92
FINLAND 7 7/8 97	200	100⅞	101⅜	+⅛	7.65
FINNISH EXPORT 9 3/8 95	200	106⅜	107⅛	+⅛	7.39
FORD MOTOR CREDIT 9 1/2 93	300	103⅞	104⅜		7.40
GEN ELEC CAPITAL 9 3/8 96	300	106½	107		7.65
GMAC 9 1/8 96	200	103⅝	104⅛	-⅛	8.06
HALIFAX 9 1/2 93	200	104⅛	104⅜		6.76
IBM WORLD TRADE 7 5/8 93	150	101½	102⅛		6.83
IND BK JAPAN FIN 7 7/8 97	200	99⅞	100⅜	-⅛	7.97
INTER AMER DEV 7 5/8 96	200	100⅝	101⅛		7.43
ITALY 8 1/2 94	1500	104⅛	104⅝		6.82
JAPAN DEV BK 8 94	150	102⅝	103⅛	+⅛	6.80
KANSAI ELEC PWR 10 96	350	108⅝	109⅛	+⅛	7.64
LTCB 8 5/8 93	150	102⅛	102⅝	+⅛	6.88
NEW ZEALAND 8 93	100	101⅞	102½		6.77
NIPPON CRED BK 9 3/4 93	100	104⅝	105⅛		7.21
NIPPON TEL & TEL 9 3/8 95	200	106	106½		7.30
NORDIC INV BANK 9 93	200	103⅞	104⅜		6.55
ONTARIO HYDRO 11 5/8 94	200	109½	110⅛	-⅛	7.06
OSTER KONTROLLBANK 8 1/8 93	200	102⅛	102⅝		6.33
PETRO-CANADA 7 1/4 96	200	98⅞	99⅜		7.53
PRUDENTIAL RLTY SECS 0 99	365.216	55¼	56⅛		8.48
QUEBEC HYDRO 9 3/4 98	150	107⅞	108⅜		8.25
QUEBEC PROV 9 98	200	103⅞	104⅜	-⅛	8.24
SAINSBURY 9 1/8 96	150	105¼	105⅝		7.85
SAS 10 99	200	104⅞	105⅜		9.14
SBAB 9 1/2 95	500	106⅛	106⅝		7.42
STATE BK STH AUST 9 1/4 93	100	103⅛	103⅝		6.71
SUMITOMO BK CAP MKT 9 3/8 93	150	104⅛	104⅝	-⅛	7.21
SWEDEN 8 1/8 94	150	102⅞	103⅜		6.93
SWEDISH EXPORT 9 5/8 93	100	104	104½		6.49
TOKYO METROPOLIS 8 1/4 96	200	103	103½		7.51
WORLD BANK 8 3/8 99	1500	103⅛	103⅝		7.89
WORLD BANK 8 3/4 97	1500	106	106⅜		7.52
XEROX CORPN 8 3/8 96	100	100⅞	101⅜	+⅛	8.34
DEUTSCHE MARK STRAIGHTS					
BAPROVEN 11 1/8 95	200	100⅛	101⅛	-½	10.88
BULGARIAN TRADE BK 8 1/2 96	200	85¼	86¼	-⅛	12.78
DEUTSCHE FINANCE 7 1/2 95	1000	97⅛	97⅝	+⅛	8.28
EIB 5 3/4 98	400	86⅛	86⅝	+⅛	8.48
EIB 6 7/8 95	300	95⅛	95⅝	+⅛	8.16
EUROFIMA 6 1/4 98	400	89½	89⅞		8.33
FERRO DEL STAT 5 3/8 93	500	96	96		8.76
FIRST INTERSTATE 5 3/4 96	100	83⅛	83½		10.35
IND BK JAPAN FIN 5 5/8 96	200	88	88	+⅛	8.92
IND DEV BK INDIA 6 3/8 94	200	88⅛	88⅞		10.92
LUFTHANSA INT FIN 5 7/8 98	500	86⅛	86½		8.65
NACIONAL FINANCIERA 11 95	150	101	101⅛		10.63
NAT BK HUNGARY 8 96	200	90½	90⅞	+⅛	10.49
QUEBEC HYDRO 6 3/4 99	300	88⅞	88⅞		8.83
SWEDEN 6 1/8 98	300	88	88		8.61
VENEZUELA 8 1/4 93	100	95¼	96	+⅛	10.57
WORLD BANK 0 15	2000	16⅜	16⅝		7.69
WORLD BANK 5 3/4 96	300	89⅞	89⅞	+⅛	8.64
WORLD BANK 7 1/8 95	500	96⅛	96½	+⅛	8.46
SWISS FRANC STRAIGHTS					
ASIAN DEV BANK 6 10	100	88	89	-⅛	7.17
AUSTRIA 4 5/8 98	100	88½	89½	-⅛	6.91
CHUJITSUYA 7 3/4 95	50	99½	101¼	-⅛	7.90
COUNCIL EUROPE 4 3/4 98	250	88	88¼	+⅛	7.15
EEC 5 1/2 00	100	89½	90½	+⅛	7.10
EIB 6 1/2 98	400	98⅛	98¼	-⅛	6.85
ELEC DE FRANCE 7 1/4 06	100	102	102½	-½	7.02
FINLAND 5 3/8 95	150	94	94¼		7.12
GENERAL MOTORS 7 1/2 95	100	100½	101	+⅛	7.31
JAPAN DEV BK 5 1/2 94	100	95¼	96¼	-⅛	7.31
KOBE 6 3/8 01	240	96½	97		6.87
NEW ZEALAND 4 7/8 99	200	87½	88	+⅛	7.11
QUEBEC HYDRO 5 08	100	77			7.47
WORLD BANK 5 03	150	84½	85¼	-⅛	6.96
WORLD BANK 7 01	600	101½	101⅞		6.77
YEN STRAIGHTS					
AUSTRIA 4 3/4 94	30000	97⅛	97⅝		6.00
CREDIT FONCIER 5 1/4 94	20000	97⅝	98		6.16
DENMARK 7 95	40000	103	103⅛		5.96
EIB 4 5/8 94	40000	96⅞	97⅛		5.95
FINLAND 6 3/4 96	50000	102⅛	103		6.02
GENERAL ELECTRIC 5 3/4 93	35000	99⅛	99⅝		6.26
INTER AMER DEV 7 1/4 00	30000	107⅞	108⅛		6.04
KANSAI ELEC PWR 4 5/8 94	60000	96⅛	96⅝		6.06
NIPPON TEL & TEL 5 7/8 96	50000	99½	99⅞	+⅛	5.99
NORWAY 5 1/8 95	50000	97⅛	97½		6.01
SNCF 6 3/4 00	30000	104⅛	105		6.01
SWEDEN 5 5/8 95	20000	98⅜	99⅛		6.02
WORLD BANK 6 3/4 00	50000	105⅛	105⅝	+⅛	5.95

OTHER STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
BAYERISCHE VEREINS INT 7 94 LFr	600	94	95		9.52
KREDIETCORP 7 93 LFr	1000	95½	96½	-⅛	9.75
WORLD BANK 8 96 LFr	1000	95		-⅛	9.37
UNILEVER 9 00 Fl	500	102⅝	103		8.55
BCE INC 9 5/8 93 C$	300	100⅞	101⅛		8.93
BELL CANADA 10 5/8 99 C$	150	104⅝	105⅛		9.74
BRITISH COLUMBIA 9 1/4 93 C$	150	100⅝	101		8.79
EIB 10 1/8 98 C$	130	102⅝	103	+½	9.64
ELEC DE FRANCE 9 3/4 99 C$	275	101⅛	102⅛		9.42
FORD CREDIT CANADA 10 94 C$	100	101¼	101⅞		9.46
GENERAL ELECT CAP 10 1/4 93 C$	175	102⅛	103⅛	+⅛	8.69
ONTARIO HYDRO 10 7/8 99 C$	500	105½	105⅞	+⅛	9.78
OSTER KONTROLLBANK 10 1/4 99 C$	150	104⅛	104⅞	-⅛	9.44
QUEBEC PROV 10 1/2 98 C$	200	103½	104		9.78
ROYAL TRUSTCO 10 1/4 93 C$	100	101⅛	101⅜	+⅛	9.33
SWEDEN 9 3/4 93 C$	250	101⅛	102	-⅛	8.81
BELGIUM 9 1/8 96 Ecu	1250	100⅛	100⅞		8.89
CNT 7 3/8 93 Ecu	250	96	96⅜	+⅛	9.95
CREDIT LYONNAIS 9 96 Ecu	125	98	99⅛	+⅛	9.53
DENMARK 7 5/8 96 Ecu	250	92⅛	93⅛		9.82
EEC 7 5/8 94 Ecu	200	97	97½	+⅛	9.03
EIB 10 97 Ecu	1125	104⅞	105		8.80
ITALY 10 3/4 00 Ecu	1000	110⅛	110⅛	-⅛	8.98
UNITED KINGDOM 9 1/8 01 Ecu	2750	102⅛	102⅛	+⅛	8.77
BP AMERICA 12 1/4 96 A$	100	104⅞	105⅜	+⅛	10.76
COMM BK AUSTRALIA 13 3/4 99 A$	100	113⅛	113⅞	+⅛	11.15
COUNCIL EUROPE 13 93 A$	50	102⅞	103⅛		10.96
EKSPORTFINANS 12 3/8 95 A$	75	104⅞	105⅜	+⅛	10.65
FORD CRED AUST 13 93 A$	50	101½	102	+⅛	11.76
MCDONALDS CANADA 15 95 A$	100	111⅞	112⅛	+⅛	10.91
NAT AUSTRALIA BANK 14 3/4 94 A$	150	107⅞	108⅛	+⅛	10.78
STATE BK NSW 14 1/4 99 A$	100	113⅝	113⅞	+⅛	11.59
VOLKSWAGEN INTL 15 94 A$	100	108⅝	109⅛	+⅛	10.86
ABBEY NATL TREAS 13 3/8 95 £	100	107⅞	108⅛		10.45
BARCLAYS JERSEY 9 1/2 93 £	250	99	99⅛		10.16
BRITISH GAS 12 3/4 95 £	300	106⅞	107⅛		10.18
DEUTSCHE BK FIN 11 94 £	225	101⅞	102⅛		9.99
EIB 10 97 £	386.5	99⅞	100⅛		10.04
FORD CREDIT *FUNDING* 9 5/8 93 £	50	98	98½		11.02
INTER AMER DEV 11 3/8 95 £	75	103⅞	104⅜		10.02
ITALY 10 1/2 14 £	400	100⅛	100½		10.46
LAND SECS 9 1/2 07 £	200	86⅛	86½	-⅛	11.43
LEEDS PERMANENT 9 1/4 93 £	50	98⅛	98⅝	+⅛	10.47
NORWAY 10 1/2 94 £	200	101	101⅛		9.95
ROLLS-ROYCE 9 5/8 93 £	150	98⅛	98⅝		10.80
SAINSBURY 10 7/8 93 £	100	100⅛	100⅞		10.56
SKANDINAVISKA ENSK 13 1/8 95 £	100	106⅛	107	+⅛	10.73
WORLD BANK 11 1/4 95 £	100	103½	104		10.01
ABBEY NATIONAL 0 96 NZ$	100	63	64	+⅛	9.67
TELECOM NZ O/S FIN 13 1/8 93 NZ$	75	106⅞	108⅛	+⅛	9.14
AIDC 7 7/8 93 FFr	600	97⅛	97⅝		9.45
CREDIT LYONNAIS 10 95 FFr	3200	101½	101⅞		9.47
EURATOM 7 5/8 98 FFr	500	93⅛	93⅝	+⅛	9.02

FLOATING RATE NOTES	Issued	Bid	Offer	C.cpn
ALBERTA PROVINCE 1/32 93	500	100.19	100.29	6.5156
ALLIANCE & LEICS 0 08 94 £	300	99.54	99.64	11.2050
BANCO ROMA 0.03 01	200	91.72	92.68	6.4675
BANCO SANTO SPIRITO 93	200	99.51	99.65	5.6250
BELGIUM 1/16 97 DM	500	100.00	100.11	9.5000
BFCE -0.02 96	350	99.95	100.05	6.1050
BNP 05	300	95.25	96.25	5.3625
BRITANNIA 1/10 96 £	150	99.14	99.33	11.2250
CCCE 06 ECU	200	99.95	100.05	9.7500
CITIZENS FED 0.15 96	100	99.40	99.84	5.9625
COMMERZBK O/S FIN 93	200	99.97	100.07	5.8750
DENMARK -1/8 96	1000	99.59	99.69	5.6875
DRESDNER FINANCE 1/32 98 DM	1000	99.93	100.03	9.2813
ELEC DE FRANCE 1/8 99	400	100.39	100.80	6.0625
FERRO DEL STAT 94	200	100.66	100.90	5.9375
HALIFAX 1/10 94 £	200	99.93	100.02	11.1000
ITALY 00	500	100.73	100.82	6.3750
MITSUI FIN ASIA 1/8 96	100	99.49	99.59	5.9375
MORGAN (JP) 1/4 97	250	98.81	99.53	6.0000
NAT WEST FIN 3/16 05	400	91.34	92.24	6.5000
NEW ZEALAND 93	500	99.85	99.95	5.7500
QUEBEC PROV 01	300	96.28	96.53	6.1250
RENFE 98	500	99.86	99.98	6.0625
SOCIETE GENERALE 96	300	99.27	99.37	5.6250
STATE BK VICTORIA 0 05 99	125	98.33	98.58	6.4875
UNITED KINGDOM -1/8 96	4000	99.97	100.00	5.2500

CONVERTIBLE BONDS	Issued	Conv. price	Bid	Offer	Prem.
ARGYLL GROUP 4 1/2 02 £	60	2.86	116⅛	117⅛	+13.74
ASDA-MFI 4 3/4 02 £	100	1.64	119	120⅛	
BURTON GROUP 4 3/4 01 £	110	2.38	123⅛	124⅞	
EASTMAN KODAK 6 3/8 01	300	50.67	97⅜	98⅜	+15.04
GOLD KALGOORLIE 7 1/2 00	65	1.0554	69⅛	70⅛	+54.01
GOODYEAR TIRE 6 7/8 03	150	80¼	82⅛	83⅛	+51.76
GRACE (WR) 6 1/4 02	150	42⅛	98	98⅞	+10.09
HANSON 9 1/2 06 £	500	2.5875	102⅛	102⅞	+16.92
HAWLEY 6 02 PREF	400	19.1	84⅞	87⅛	
HILLSDOWN 4 1/2 02 £	150	4.16	114	115	
INTL PAPER 5 3/4 02	200	68⅛	104⅛	105⅛	+6.98
LAND SECS 6 3/4 02 £	84	6.72	88⅞	89⅞	+9.17
MITSUBISHI BK 1 3/4 02	300	2727.1	117	118⅞	+2.72
OGDEN 6 02	85	39.077	72⅛	73⅛	+45.47
PACIFIC DUNLOP 6 3/4 97	75	3.749	112⅛	113⅛	+2.34
TEXAS INSTRUMENTS 2 3/4 02	300	82⅞	86	86⅞	
THORN EMI 5 3/4 04 £	103	7.45	117⅛	118⅛	+0.53

* No information available - previous day's price
‡ Only one market maker supplied a price

STRAIGHT BONDS: The yield is the yield to redemption of the bid-price; the amount issued is in millions of currency units. Chg. day = Change on day.
FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. Spread = Margin above six-month offered rate (‡three-month §above mean rate) for US dollars. C.cpn = The current coupon.
CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares

Data supplied by Association of International Bond Dealers.

Canada becomes everyone's darling

An influx of funds has pushed the Canadian dollar to its highest levels in 10 years, writes Bernard Simon

CANADA'S most unpopular man, after the *prime minister* Mr Brian Mulroney, is probably Mr John Crow, governor of the Bank of Canada. For the past three years, he has been vilified by consumers for high interest rates, by exporters for a soaring Canadian dollar and by almost everyone else for an unexpectedly deep recession.

But Mr Crow and the Canadian dollar are turning out to be the darlings of the international capital markets. According to Statistics Canada, foreigners poured C$11.8bn (US$10.4bn) into Canadian securities in the first seven months of 1991, up 23 per cent from last year.

The pace has quickened further since July, with one province or utility after another tapping receptive foreign investors for funds. In the past week alone, borrowers have raised more than C$1.5bn in the Euro-Canadian market.

Mr Don Mazankowski, the finance minister, has confirmed that funds from Asian and European investors were "pouring into Canada in an unprecedented way."

The influx is pushing the Canadian dollar to its highest levels in more than a decade. It opened yesterday morning at 88.38 US cents, more than 2 cents *higher* than at the start of the year, and has been climbing steadily since touching an all-time low of 69.13 cents in January 1986.

Most foreign currency experts now agree the Canadian dollar will remain strong for at least the next three to six months. Royal Bank of Canada expects an assault on 88.50 cents within the next week or two.

They give Mr Crow the credit. Mr Barry Davenport, senior vice-president for foreign exchange at Bank of Montreal, said: "There's tremendous confidence that he means *what* he says. He represents stability for the price of the currency."

Mr Crow's highest priority has been to put the lid on inflation. One sign of his influence in Ottawa is the government's decision to include in its constitutional reform proposals, published last week, an amendment to the Bank of Canada Act which would mandate the central bank to "achieve and preserve" price stability.

Ottawa, for the first time earlier this year set specific *inflation targets. The aim is to* bring the increase in the consumer price index (excluding food, energy and indirect taxes) down to 3 per cent by the end of next year and 2 per cent by December 1995.

Mr Crow, a forthright Englishman who worked for the International Monetary Fund before settling in Canada in the early 1970s, said an even lower target may be set after 1995.

The year-on-year inflation rate is just under 6 per cent. But the government estimates almost 2.5 percentage points is made up of one-time increases in indirect taxes, notably the 7 per cent goods and services tax imposed last January.

Monetary policy has been the main instrument in squeezing inflation. The spread between US and Canadian interest rates, *normally* between 1 and 2 percentage points, widened to as much as 6 percentage points in early 1990. The gap on long-term government bonds has since narrowed to 165 basis points, with long-term Government of Canada bonds yielding 9.45 per cent.

But the present spread is still juicy enough to catch the attention of the bond market.

"Investors have got no concerns about the currency, so they go for the extra yield," said a London-based syndication manager, who predicts the spread could narrow another 50 points before Canadian dollar-denominated bonds lose their appeal.

Canadian interest rates are expected to drop more rapidly than US rates over the next year. Banks' prime lending rate, now at 9.25 to 9.5 per cent, could be down to about 8.5 per cent by next summer.

A drop of that magnitude will probably take some of the pressure off the Canadian dollar. Mr Davanport, at Bank of Montreal, predicts the Canadian currency will dip to 84 US cents by this time next year. But he adds: "It's not outside the realm of possibility that the dollar *could be higher*, especially if the inflation targets are met".

INTERNATIONAL CAPITAL MARKETS

CME allows pre-arranged trading for large orders

By Barbara Durr in Chicago

THE CHICAGO Mercantile Exchange will tomorrow allow large orders for Standard & Poor's 500 stock index futures to be arranged off the trading floor.

It is the first time the exchange and the Commodity Futures Trading Commission has permitted pre-arranged trading, which on smaller transactions remains illegal.

The rule change, called Lox, or large order execution rule, is comparable to the block trade rules for leading US stock exchanges.

"It is the next step in the evolution of the market," said Mr Ken Raisler, chairman of the New York City Bar Association committee on futures regulation that studied the rule.

Lox will provide increased flexibility to trade futures for large institutions, particularly when they need to hedge large securities transactions, he added.

Under Lox, a CME member or member-firm with an order to buy or sell 300 or more S&P futures contracts will be able find a counter-party off the floor and agree a price.

The order would then be made known to exchange officials and described to the trading pit in terms of size.

The agreed price would not be disclosed at that point.

Traders in the pit would then have the opportunity to participate in the trade, though any portion of the order not filled through the open outcry process would be executed with the counter-party at the agreed price.

Lox will benefit pension funds and mutual funds, according to Mr John Sandner, chairman of the CME.

It may also help to boost trading volume in its S&P 500 futures pit on which contracts average about 50,000 per day, accounting for 85 per cent of the market in such products.

Heavy supply in Canadian sector continues

By Tracy Corrigan in London

THE HEAVY supply in the Canadian dollar sector shows no signs of abating, as three more issues were absorbed yesterday. In addition, Alberta, which, in common with most other Canadian provinces, faces heavy financing needs, is eyeing the market and could raise as much as C$1bn, according to bankers. The borrower may choose to avoid the 10-year area of the yield curve, which Ontario tapped on Tuesday, bankers suggested.

INTERNATIONAL BONDS

One source said the borrower has yet to decide whether to raise US or Canadian dollars.

Two European companies launched successful deals. A C$150m seven-year deal for Guinness, the UK drinks company, was considered reasonably-priced at 55 basis points above the comparable Canadian government bond.

The deal met strong demand initially but had some of its thunder stolen by a C$150m five-year deal for the Swiss chemicals company Ciba-Geigy. The Ciba-Geigy deal, priced to yield 38 basis points more than the comparable Canadian government bond, sold out quickly due to enthusiastic buying by Swiss investors and buying interest in the Guiness deal subsequently recovered.

The proceeds of the Guinness deal will mostly be used to refinance short-term bank debt arising from the company's acquisition of Schenley Canada, a spirits company.

The rest of the issue was swapped into floating-rate US dollars for general funding purposes. Ciba-Geigy's deal was swapped into fixed-rate US dollars. On Tuesday, Ciba-Geigy launched a $150m bond issue with warrants. It met strong demand from both fixed-income and equity investors.

Late in the day, Caisse Centrale Desjardins du Quebec, the Canadian savings bank, raised a C$100m five-year deal via Wood Gundy.

In the dollar sector, Coca-Cola Amatil, an Australia-based bottling company 51 per cent owned by Coca-Cola, launched a $150m deal, subsequently increased to $175m, via Morgan Stanley International. The deal was the first in the international capital markets for this particular borrower, but the Coca-Cola name ensured a positive reception for the issue.

The deal was quoted at 99.73, just above its fixed-reoffer price of 99.66.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees	Book runner
US DOLLARS						
Coca-Cola Amatil(a)†	175	7⅝	99.66	1996	1⅞/1¼	Morgan Stanley
Kangwon Ind.(b)§	40	(3-3½)	100	2006	2½/1½	Jardine Fleming Int.
CANADIAN DOLLARS						
Ciba-Geigy Corp(a)†	150	9¼	101.45	1996	1⅞/1.775	UBS Phillips & Drew
Guinness BV(a)†	150	9⅝	101.475	1998	1⅞/1.725	CSFB
C.Cent.Desjardins d'Quebec(a)†	100	9⅝	101.525	1996	1⅞/1.775	Wood Gundy
AUSTRALIAN DOLLARS						
SBC Finance (Cay.Is.)(a)†	100	10¼	101.54	1998	1⅞/1¼	SBC
SWISS FRANCS						
Nippon Piston Ring(c)★★§	60	4¼	100	1996	-	Credit Suisse
Tsukamoto Shoji(d)★★§	30	4¼	100	1996	-	Nikko (Switz) Fin.

★★Private placement. §Convertible. ♦With equity warrants. ‡Floating rate note. †Final terms. a) Non-callable. b) Put option 1996 to yield 7%-7½%. c) Put option 31/3/94 at 108⅜% to yield 7.439%. Coupon payable semi-annually. d) Put option 31/3/94 at 108⅜% to yield 7.513%.

Total plans up to $475m global share offering

By Sara Webb in London

TOTAL, the French oil company, plans to make a global share offering of between $445m and $475m to widen its international shareholder base and improve the liquidity in the market for its shares.

The company, listed in Paris and London, has applied to have its shares listed as American Depository Shares on the New York Stock Exchange.

It will issue between 2.9m and 3.1m new B shares in the US, France and international markets.

Total said yesterday the proceeds would be used "for general corporate purposes." Details of the offering, including the price, will be decided when the Total board meets on October 21.

Lehman Brothers and Paribas Capital Markets Group are the joint global co-ordinators for the offering. It will be underwritten by syndicates led by Lehman Brothers in the US, Banque Paribas in France and Credit Suisse First Boston for the international tranche.

Liffe to launch Italian futures contract option

THE London International Financial Futures Exchange (Liffe) is to launch an option on its recently-introduced Italian government bond futures contract, writes Tracey Corrigan.

The futures contract, on the Italian Treasury's long-dated Buoni del Tesoro Poliennali (BTPs), has traded an average daily volume of 11,500 since its launch on September 19. The success of the contract has fuelled interest in the Italian bond market. The Italian government bond market is the third largest after the US and Japan. Options will be listed for December 1991 and March 1992 delivery.

● THE Swiss Options and Financial Futures Exchange today starts trading a medium-term Swiss futures contract based on a synthetic five-year bond with a 6 per cent coupon.

The spectre of credit risk returns to haunt market

By Simon London in London

CREDIT risk has returned as a significant concern of investors in the sterling bond market. The cause: the recent spate of rights issues, poor trading forecasts and bids by some of the UK's biggest companies, which has caused some dramatic changes in bond prices.

In one of the sharpest movements in the recent history of the sterling bond market, the price of Asda bonds fell sharply following the announcement on Monday that the company is to seek £357m from its shareholders from a rights issue.

Asda bonds had been yielding 240 basis points more than UK government securities before the rights issue was announced, already 40 basis points above trading levels earlier in September, before the full extent of the company's trading difficulties became clear. By the following day, the yield spread had widened to 300 basis points as the bonds plummeted.

The performance of the Asda issue mirrors that of bond issues from other leading UK companies which have announced rights issues.

The yield spread over government securities of British Aerospace's long-dated sterling bonds rose from around 170 basis points before its rights issue was announced, to around 200 basis points yesterday. News of poor trading conditions which accompanied the rights issue again led to the fall.

In isolation, a rights issue should cause bond yield spreads to tighten, as new cash comes into the company and its balance sheet is strengthened.

In addition, a larger equity "cushion" should be to the advantage of bondholders, who rank ahead of equity holders in the event of winding up.

One example is Trafalgar House's £310m rights issue launched in late June, which was accompanied by a £114m bid for Davy. Even though the bid could entail write-offs and a probable cash outflow of £200m, the injection of equity capital contributed to a tightening of the bond yield spread over government securities.

However, in the case of Asda, British Aerospace and others, these positive benefits have been outweighed by a reassessment of the credit risk – or "stock-specific risk", as analysts term it – of the company.

Other recent events have been more difficult for the bond market to assess. Reports of a possible break-up bid for British Aerospace, for example, caused the yield spread on the company's bonds to tighten again yesterday.

Rather than increasing the perception of credit risk, analysts noted a form of arbitrage taking place. This is due to the the covenants of the British Aerospace bond issue, which put the company into default if it disposes of more than 30 per cent of its assets.

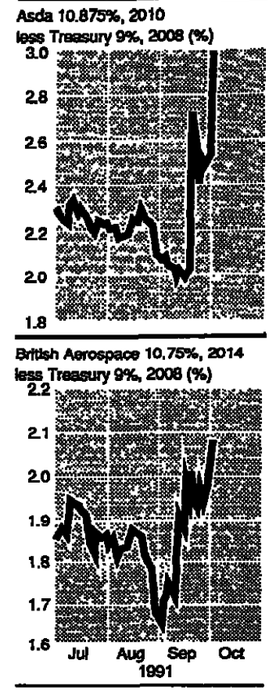
This means that, before going ahead with a break-up, the new owners of the company would have two options:

- ● To call the bonds according to the terms of the covenants, at a yield the same as UK government long-dated bonds. At yesterday's government bond prices, this would entail buying-in the British Aerospace issue at 110.5, against a prevailing secondary market price of just 92. This would add £110.5m to the price of buying the company.
- ● To make an open offer for the bonds at a price above the prevailing secondary market price – at around 96. This would be cheaper, at a cost of £96m, but more risky. If even a small number of bond-holders did not accept the offer, the covenants restricting sale of assets would still apply.

Traders reported sporadic buying of British Aerospace bonds yesterday based on this scenario. This kind of arbitrage is peculiar to the sterling bond market where covenants are stricter and more complex than in most other countries or the international bond market.

Whatever the eventual outcome for British Aerospace, Asda or other high-profile companies, stock-specific risk has returned with force to the minds of bond market investors.

Yield spreads :



Asda 10.875%, 2010 less Treasury 9%, 2008 (%)

British Aerospace 10.75%, 2014 less Treasury 9%, 2008 (%)

Mexico's liquidity crisis explained

By Damian Fraser in Mexico City

THE REASONS for the liquidity crisis which caused Mexican short-term interest rates to rise to 40 per cent and led to some banks losing as much as a tenth of their net worth, have been set out by Mr Miguel Mancera, Mexico's central bank governor.

The repercussions of the crisis in late August are continuing, although the Bank of Mexico has moved to ease the cash constraints on banks. Interest rates on 28-day government paper have risen for two consecutive weeks and now stand at 18.75 per cent.

Mr Mancera said the crisis arose when banks were unable to meet the 30 per cent liquidity ratio (similar to a reserve requirement) on deposits at the end of August because of a huge increase in demand for loans during that month. Desperate for funds, they were forced to borrow money in the short-term markets, where rates rose steeply.

Many banks loaned money without buying government paper to cover the loans in the belief they could meet the requirement on the last few days of the month. Banks did not then have to fulfil liquidity regulations until the end of the month. Because they all adopted the same plan, there was insufficient government paper. The demand for money was increased by higher-than-expected tax requirements and the $1.5bn initial payment for the privatisation of Banamex, Mexico's largest bank. The supply of government paper was also low that month.

Demand was further boosted by a new regulation in August, forcing Mexican banks to lend outside Mexico half of the money which was raised outside the country. Until then, many Mexican banks had been borrowing cheaply in dollars and lending at much higher rates in Mexican pesos.

Mr Mario Ramon Beteta, head of Comermex, one of Mexico's largest commercial banks, said the Bank of England disapproved of this arbitrage of the dollar and peso interest rates.

Japan lifts investment in US bonds

JAPANESE investment in US and other overseas bonds rebounded in August, according to a monthly report from the Japan Securities Dealers Association (JSDA), AP-DJ reports.

The value of US debt held by Japanese securities houses' clients grew by more than $5bn – or almost 12 per cent – during the month. This followed a fall of over $4bn – 9 per cent – in July, the JSDA said.

Much of the US Treasury debt bought during the month has since been sold, dealers said. The accounts monitored in the JSDA survey are used for active trading rather than longer-term investment.

LONDON MARKET STATISTICS

FT-ACTUARIES SHARE INDICES

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	EQUITY GROUPS & SUB-SECTIONS	Wednesday October 2 1991						Tue Oct 1	Mon Sep 30	Fri Sep 27	Year ago (approx)
	Figures in parentheses show number of stocks per section	Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%)	Est. P/E Ratio (Net)	xd adj. 1991 to date	Index No.	Index No.	Index No.	Index No.
1	**CAPITAL GOODS (182)**	858.82	-0.4	9.16	5.64	13.61	29.93	862.33	859.60	856.21	706.14
2	Building Materials (23)	1048.02	-0.7	7.21	5.94	18.24	40.19	1055.19	1050.71	1061.35	905.73
3	Contracting, Construction (31)	1163.82	-0.6	8.20	6.25	16.63	45.06	1170.42	1167.31	1166.69	1055.91
4	Electricals (11)	2668.69	-0.3	8.19	4.95	15.64	72.48	2675.48	2655.25	2652.02	1920.07
5	Electronics (25)	1823.47	+0.2	10.50	5.23	12.04	49.55	1819.17	1813.79	1795.58	1584.34
6	Engineering-Aerospace (8)	371.32	-1.5	16.65	6.75	7.25	16.48	376.90	377.60	376.82	430.27
7	Engineering-General (43)	503.16	+0.2	9.79	5.07	12.62	15.79	502.17	498.87	495.72	370.88
8	Metals and Metal Forming (9)	463.99	-0.8	14.18	7.64	8.57	17.48	467.63	469.18	466.44	408.45
9	Motors (12)	352.91	....	8.46	6.82	15.09	14.65	352.80	357.59	355.29	281.68
10	Other Industrial Materials (20)	1653.70	-0.6	7.67	4.93	15.50	56.55	1663.15	1652.68	1635.48	1199.62
21	**CONSUMER GROUP (189)**	1569.02	....	7.33	3.56	16.86	31.94	1568.17	1556.83	1544.24	1172.09
22	Brewers and Distillers (22)	1954.99	-0.1	7.92	3.44	15.36	38.33	1956.39	1947.63	1935.56	1452.09
25	Food Manufacturing (19)	1251.91	+0.1	9.06	3.99	13.63	26.32	1250.55	1232.76	1221.05	1014.48
26	Food Retailing (17)	2569.83	+0.8	8.66	3.29	15.10	50.36	2549.33	2495.05	2475.54	2321.33
27	Health and Household (22)	3744.04	+0.2	5.40	2.53	21.23	58.55	3736.26	3707.85	3667.48	2425.58
29	Hotels and Leisure (24)	1338.33	-0.4	8.06	5.26	15.14	37.73	1343.59	1343.24	1336.97	1161.87
30	Media (26)	1549.04	-0.4	6.95	4.58	18.79	43.94	1555.09	1558.58	1556.02	0.00
31	Packaging, Paper & Printing (17)	784.76	+0.3	7.16	4.16	16.94	22.26	782.30	779.04	772.27	481.19
34	Stores (33)	1001.81	-0.2	7.42	3.71	17.65	19.20	1004.27	1000.30	989.60	747.59
35	Textiles (9)	635.38	+0.4	7.23	4.89	17.56	15.16	632.85	628.50	629.08	406.60
40	**OTHER GROUPS (109)**	1330.48	+0.5	9.05	4.87	13.90	35.68	1323.80	1306.52	1295.68	978.98
41	Business Services (12)	1431.43	+0.1	7.46	4.56	16.66	34.95	1430.32	1419.09	1400.24	0.00
42	Chemicals (21)	1485.69	-0.6	6.79	4.87	18.19	48.39	1494.14	1486.80	1468.22	1007.79
43	Conglomerates (10)	1547.87	-0.4	9.42	6.79	12.86	38.76	1553.68	1553.15	1547.50	1300.10
44	Transport (13)	2425.36	+0.1	7.03	4.69	17.62	66.37	2423.57	2405.64	2383.46	1805.51
45	Electricity (16)	1286.51	+1.0	13.65	5.06	9.55	27.53	1273.92	1268.37	1268.72	0.00
46	Telephone Networks(4)	1658.67	+1.9	9.04	3.66	14.48	28.34	1628.21	1581.24	1567.54	1077.76
47	Water(10)	2533.94	+1.2	16.12	6.07	6.87	118.37	2504.01	2439.28	2405.09	1939.19
48	Miscellaneous (23)	1929.10	-0.7	5.14	5.10	26.97	69.66	1943.19	1926.24	1906.01	1540.15
49	**INDUSTRIAL GROUP (480)**	1320.08	+0.1	8.25	4.39	15.11	33.31	1318.57	1307.53	1297.91	1000.54
51	Oil & Gas (20)	2440.24	-0.4	10.70	5.69	12.35	92.91	2449.83	2426.35	2411.06	2359.52
59	**500 SHARE INDEX (500)**	1416.91	....	8.54	4.55	14.71	38.03	1416.16	1404.10	1393.95	1111.41
61	**FINANCIAL GROUP (91)**	832.24	-0.5	-	5.62	-	30.50	836.28	834.52	830.63	667.70
62	Banks (9)	977.08	-0.9	4.27	5.46	44.29	36.83	985.76	981.39	968.81	712.58
65	Insurance (Life) (7)	1559.86	-1.3	-	5.42	-	62.78	1580.89	1588.64	1586.78	1308.54
66	Insurance (Composite) (6)	632.20	+0.4	-	6.95	-	28.25	629.81	628.81	628.81	577.28
67	Insurance (Brokers) (9)	1180.18	+1.8	6.91	5.74	18.95	42.45	1159.35	1151.47	1155.15	820.75
68	Merchant Banks (7)	482.75	-0.1	-	4.37	-	13.08	483.38	482.27	482.48	334.79
69	Property (36)	965.78	-0.4	5.76	4.84	24.42	23.01	969.40	966.06	966.27	868.34
70	Other Financial (17)	260.73	-0.1	11.01	7.05	11.40	10.84	261.04	263.31	268.46	235.19
71	Investment Trusts (70)	1259.85	....	-	3.43	-	26.66	1260.49	1254.57	1254.17	991.48
99	**ALL-SHARE INDEX (661)**	1275.36	....	-	4.66	-	35.71	1275.62	1265.96	1257.47	1003.28

	Index No.	Day's Change	Day's High (a)	Day's Low (b)	Oct 1	Sep 30	Sep 27	Sep 26	Sep 25	Year ago
FT-SE 100 SHARE INDEX‡	2644.2	-1.4	2649.9	2638.8	2645.6	2621.7	2599.0	2595.6	2597.8	2087.0

FIXED INTEREST

	PRICE INDICES	Wed Oct 2	Day's change %	Tue Oct 1	Accrued interest	xd adj. 1991 to date
	British Government					
1	Up to 5 years (28)	122.32	+0.03	122.29	1.75	9.31
2	5-15 years (27)	136.11	-0.02	136.13	2.22	10.24
3	Over 15 years (9)	144.74	-0.14	144.94	1.26	10.60
4	Irredeemables (6)	161.61	-0.27	162.06	3.48	8.83
5	All stocks (70)	134.07	-0.02	134.09	2.00	10.07
	Index-Linked					
6	Up to 5 years (2)	166.13	+0.02	166.10	0.47	2.72
7	Over 5 years (9)	148.76	-0.01	148.78	0.77	3.42
8	All stocks (11)	150.02	-0.01	150.04	0.72	3.40
9	Debs & Loans (58)	115.08	+0.34	114.75	1.84	8.33

	AVERAGE GROSS REDEMPTION YIELDS		Wed Oct 2	Tue Oct 1	Year ago (approx.)
	British Government				
1	Low	5 years	8.48	8.51	11.04
2	Coupons	15 years	9.33	9.30	11.03
3	(0%-7¾%)	20 years	9.33	9.30	11.03
4	Medium	5 years	9.59	9.59	12.10
5	Coupons	15 years	9.45	9.43	11.53
6	(8%-10¾%)	20 years	9.41	9.39	11.36
7	High	5 years	9.80	9.80	12.17
8	Coupons	15 years	9.52	9.51	11.79
9	(11%-)	20 years	9.45	9.43	11.65
10	Irredeemables	†	9.55	9.52	11.15
	Index-Linked				
11	Inflation rate 5%	Up to 5yrs.	3.78	3.78	4.26
12	Inflation rate 5%	Over 5 yrs.	4.22	4.22	4.34
13	Inflation rate 10%	Up to 5 yrs.	3.17	3.17	3.08
14	Inflation rate 10%	Over 5 yrs.	4.05	4.04	4.16
15	Debs &	5 years	11.21	11.27	14.37
16	Loans	15 years	10.95	11.04	13.18
17		25 years	10.77	10.82	12.77

‡Opening index 2646.1; 9 am 2638.9; 10 am 2648.3; 11 am 2644.2; Noon 2642.9; 1 pm 2641.1; 2 pm 2641.1; 2.30 pm 2640.7; 3 pm 2640.2; 4.10 pm 2644.3; (a) 9.46am (b) 8.59am † Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Number One, Southwark Bridge, London SE1 9HL. The FT-ACTUARIES SHARE INDICES SERVICE covers a range of electronic and paper-based products relating to these indices. These are available by subscription from FINSTAT, Ibex House, 42-47 Minories, London EC3N 1DY. Tel: 071-702 0991.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	2	31	50
Corporations, Dominion and Foreign Bonds	0	5	15
Industrials	273	256	970
Financial and Properties	111	101	549
Oils	19	15	55
Plantations	1	0	9
Mines	17	35	102
Others	31	45	59
Totals	454	488	1,809

LONDON RECENT ISSUES

EQUITIES

Issue Price	Am'nt Paid up	Latest Renunc Date	1991 High	1991 Low	Stock	Closing Price	+ or -	Net Div	Times Cov'd	Gross Yield	P/E Ratio
180	F.P.	-	198	188	Adam & Harvey	193		W10.0	5.9	6.9	3.3
†	F.P.	-	110	105	Capital Ventures 1p	110		-	-	-	-
4	F.P.	-	9½	4¼	Culver 1p	5		-	-	-	-
-	F.P.	-	23	18	Eng. & Scott. Wrnts.	22		-	-	-	-
-	F.P.	-	320	213	Eurotunnel '91 Wrnts.	313	+10	-	-	-	-
100	F.P.	-	112	105	Gartmore Scotland Inc.	112		H11.6	-	13.8	-
100	F.P.	-	99	85	Do. Capital	98		-	-	-	-
-	F.P.	-	£655	£605	Do. Units	£655		-	-	-	-
146	F.P.	-	166	148	Irish Life Ir10p	166	+1	HQ102%	-	5.5	-
100	F.P.	-	110	101	Kleinwort High Inc. 5p	110		M7.5	-	9.1	-
§290	F.P.	-	346	297	Lowndes Lambert 5p	345		L11.5	1.9	4.4	16.1
50	F.P.	-	54	47	§Simpsons of Cornhill 5p	48		-	-	-	14.9
1	F.P.	-	¼	½	§Stanelco 1p	¼		-	-	-	-

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc Date	1991 High	1991 Low	Stock	Closing Price £	+ or -
100	F.P.	-	100	98½	Camborne Inds. 10½pc Rd. Deb. 2001	98½	-1
100	F.P.	-	90	77½	Claybithe 9½pc Cnv. Ln. 2000-01	79½	
100p	F.P.	-	111½p	104¼p	Gartmore Scotland Zero Div Prf.	111¼p	
100p	F.P.	-	109½p	102¼p	Kleinwort High Income Zero Div Prf.	109¼p	
-	F.P.	-	96	95½	Land Securities 10pc 1st Mtg Deb 2027	96	
100p	F.P.	-	104p	102½p	NatWest Bank 9pc Prf Series A	103¼p	+¼
-	F.P.	-	107½	107½	Third Mile 8pc Cv Uns Ln 2001	107½	

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc Date	1991 High	1991 Low	Stock	Closing Price p	+ or -
285	Nil	-	80pm	53pm	British Polythene	79pm	
160	Nil	-	38½pm	33pm	Hickson International	33pm	-5
210	Nil	-	11pm	3pm	Hillsdown Hldgs. 10p	5pm	-2
220	Nil	-	49pm	29pm	Ladbroke 10p	31½pm	+½
85	Nil	-	13pm	12pm	Record Hldgs. 5p	12pm	
14½	Nil	-	2pm	1pm	Starmin 5p	1pm	-½
200	Nil	-	10pm	9pm	Third Mile Inv. Units	9pm	-1
45	Nil	-	23pm	18pm	§Trans World Comms. 10p	18pm	-5

a Annualised dividend. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. q Earnings based on preliminary figures. u Forecast or estimated annualised dividend rate, cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1990-91. H Dividend and yield based on prospectus or other official estimates for 1991. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1991-92. N Dividend and yield based on prospectus or other official estimates for 1992. Q Gross. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. ♦ Offered to holders of ordinary shares as a "rights". † Introduction. § Placing price. †† Reintroduction. ‡ Unlisted securities market. ¶ Issued in connection with reorganisation, merger or takeover. pm Price at a premium.

TRADITIONAL OPTIONS

- ● First Dealings Sept. 23
- ● Last Dealings Oct. 4
- ● Last Declarations Dec. 23
- ● For settlement Jan. 6

For rate indications see end of London Share Service

Calls in **Automated Security, Blacks Leisure, Next, Ratners and Ryan Hotels.** Puts in **Maxwell Comm., Next and Ratners.**

LONDON TRADED OPTIONS

Option		Calls Oct	Calls Jan	Calls Apr	Puts Oct	Puts Jan	Puts Apr
Allied Lyons (*626)	600	39	60½	74½	10½	27	32
	650	13¼	37	51	34½	51½	55½
	700	7	20½	33	75½	87½	89½
ASDA (*51)	40	12½	15½	18	1½	4¼	4½
	50	5¼	10	14	4	7½	7½
	60	2	6	9½	11½	13½	15½
Brit. Airways (*187)	160	28	31½	35½	½	2½	5
	180	11	16½	23½	2¼	8	11
	200	2	7	13½	14	18½	21½
SmKl Beecham A (*759)	750	22	49½	68½	10½	23	29½
	800	4¼	26½	44½	41½	49½	53½
Boots (*420)	420	9½	19½	33	6½	16	19½
	460	½	7	16	39	42	43
B.P. (*336)	330	10¼	18	23½	3	10	13¼
	360	1	5¼	11	24	27½	28½
British Steel (*131)	130	4	7	10¼	2¼	7	8¼
	140	1	2¼	6¼	9	13½	14½
Bass (*1030)	1026	20½	-	-	13½	-	-
	1050	-	31	49	-	51½	56½
C & Wire (*585)	550	35	53½	70½	3½	13½	19
	600	7½	26½	42	23½	35½	40½
Courtaulds (*479)	460	22	38	52	3½	11½	15
	500	3½	18	31	24	30	32
Com. Union (*500)	500	10	27½	36½	7½	17	26
	550	½	9	15	49½	50½	54½
Fisons (*469)	460	15½	31	44	6	15½	21
	500	3	14½	25	32	37	42
GKN (*375)	360	18	34	39½	4	11½	19
	390	3¼	20	23½	19½	27½	35
Grand Met. (*841)	800	47	73	85½	3¼	20	24½
	850	13¼	41½	55½	20	40	45½
I.C.I. (*1325)	1300	43½	94½	113	14	34½	56½
	1350	17	65½	85½	39½	56½	82
Kingfisher (*558)	550	18	40½	55½	9½	18½	27½
	600	1½	18	32	42½	47½	48½
Ladbroke (*259)	249	10½	19½	25½	4½	9¼	14
	268	1½	10¼	16	16½	20½	24½
Land Secur (*542)	500	43	50	64	1	5	8
	550	5	17½	31	11½	22½	27
M & S (*279)	260	20	27½	36	1¼	4½	6½
	280	5½	14½	23½	5	11½	13½
Sainsbury (*362)	360	-	-	29½	-	-	15½
	386	1¼	8	-	26	28	-
Shell Trans. (*502)	500	9	28	32½	8	15	22
	550	1	9	13	48½	48½	50
Storehouse (*106)	100	7½	11	14½	1½	4	6½
	110	3	6	8½	6½	9½	11½
Trafalgar (*244)	240	-	-	24	-	-	22
	251	3¼	13	-	12	25	-
Utd. Biscuits (*416)	390	26	37½	45½	2	8½	13
	420	5	18	28	14	19½	25½
Unilever (*798)	750	50	70	88½	2½	10	13½
	800	13½	37½	56½	16½	26½	31½
Ultramar (*249)	240	13	22½	26½	3	9½	12½
	260	5	12	14½	14	18	23½
Option		**Nov**	**Feb**	**May**	**Nov**	**Feb**	**May**
Brit Aero (*415)	390	35½	52½	57½	7½	15½	26
	420	19½	35½	40½	20½	28½	39½
BAA (*468)	420	51½	59½	72½	2	6	9½
	460	21½	34	46½	11½	20	22½

Option		Calls Nov	Calls Feb	Calls May	Puts Nov	Puts Feb	Puts May
BAT Inds (*670)	650	36½	60	71	11½	16	21½
	700	11	31½	44½	34½	40½	42½
BTR (*422)	420	15	30	33	10½	17½	22
	460	2¼	12½	16	38	40	44½
Brit. Telecom (*422)	390	37½	44½	54½	3	8	10¼
	420	15	24½	36½	12	19½	21½
Cadbury Sch (*435)	420	32	42½	47½	8½	16	24
	460	11½	28	32½	27½	34	42½
Eastern Elec (*191)	180	15	19½	24½	2¼	6½	9½
	200	4½	9½	13½	11½	16½	18½
Guinness (*1030)	1000	52½	85½	101	12½	24½	44½
	1050	22½	57½	72½	34½	45½	46½
GEC (*199)	180	21	24	29½	½	2¼	4¼
	200	5¼	10¼	16	4¼	9	11
Hanson (*225)	220	11	14¼	19¼	3½	10¼	12
	240	2½	5½	10¼	15½	24	24½
LASMO (*304)	300	16½	28	32½	9½	13½	18½
	330	5	13½	19½	29½	30½	34½
Lucas Inds (*140)	130	12½	14½	-	4½	6¼	-
	140	5¼	9	12½	9	12½	14½
P. & O. (*524)	519	22	40½	49½	13½	20½	30½
	566	4½	20	26½	43	49½	56½
Pilkington (*148)	140	12½	17½	22½	3¼	8¼	10½
	160	3¼	8	13	14½	18½	21
Prudential (*249)	240	16½	25½	28½	4	6½	10
	260	6½	15½	18½	13½	15½	20½
Racal (*59)	55	5	-	-	2	-	-
	60	4	4½	-	3½	4	-
R.T.Z. (*575)	550	38½	55½	64	7½	13½	21½
	600	10¼	28	34½	30½	33½	42½
Scot. & New (*416)	390	34	42½	52½	2¼	8	11½
	420	13½	23	34	12½	20	24
Tesco (*260)	240	23½	32½	35½	2	3½	6½
	260	10	18½	22½	8½	10½	13½
Thames Water (*389)	370	22½	29½	-	4	8	-
	390	-	-	28	-	-	19½
Vodafone (*381)	360	29	40½	-	5½	11½	-
	390	12½	24½	-	16½	24	-
Option		**Dec**	**Mar**	**Jun**	**Dec**	**Mar**	**Jun**
Abbey Nat. (*305)	300	16½	27	31	8¼	13½	15½
	330	6	10½	14½	26	31	32½
Amstrad (*49)	45	6¼	8¼	10½	2	4	4¼
	50	3½	6½	7¼	4½	6½	7
Barclays (*465)	460	25½	36	42½	11½	21½	26½
	500	8	16½	22	37½	43½	49½
Blue Circle (*261)	260	14½	23	26	10	13½	16½
	280	6½	14½	17½	22	24	29
British Gas (*295)	280	24½	28	31½	4	7	10
	300	10½	16	20½	11	15½	18½
Dixons (*246)	240	18½	25½	32½	8	12½	15½
	260	8	15½	23½	18½	23	25½
Eurotunnel (*532)	500	55	78	95	17	26½	32
	550	28½	50	68	40	48	57½
Glaxo (*1396)	1350	99½	139	175	29½	46½	51½
	1400	70½	111	145	48½	66½	70½
Hawker Sidd. (*753)	750	31	37½	43½	22½	26½	29½
	800	13	16	19½	50½	50½	50½
Hillsdown (*215)	197	23	29½	-	3	5½	-
	216	10½	17½	-	1½	12½	-

Option		Calls Dec	Calls Mar	Calls Jun	Puts Dec	Puts Mar	Puts Jun
Lonrho (*245)	240	14½	20	22	7½	14	16½
	260	6¼	10	14	18	28	29
Midland Bk (*246)	240	20	29	35	9	13½	17½
	260	10½	18	26	18½	24	28½
National Power (*163)	160	12	14	18½	5	8	9
	180	3	5	9	17½	18½	18½
Reuters (*955)	950	57½	88½	103	39½	58½	56½
	1000	34½	61½	80½	68½	83	93
R. Royce (*144)	140	11	15	17	5	8½	10
	160	3¼	6¼	8¼	16¼	19½	22
Scottish Power (*114)	110	8¼	13	15	3¼	4¼	6½
	120	4¼	8	10	7½	10	12
Sears (*93)	90	6½	9½	12½	5½	6½	8½
	100	3¼	6	7¼	10½	12½	13½
THF (*263)	260	12½	20	23½	8½	11	14½
	280	4¼	11	13½	20½	22½	25½
Thorn EMI (*801)	800	31	46½	64½	25½	31½	35½
	850	9	25½	42	55½	57½	60½
TSB (*148)	140	13	15	18	2	5½	6¼
	160	4¼	7¼	9	12	16½	17½
Vaal Reefs (*$64)	60	9	11	14	3½	6	6¾
	70	4½	6½	9¼	8¼	11½	13
Wellcome (*750)	700	70	93½	111	15½	25	30
	750	39½	64½	83½	35	44	49½

EURO FT-SE INDEX (*2644)

	2425	2475	2525	2575	2625	2675	2725	2775
CALLS								
Oct	238	189	143	99½	60½	32½	14	6½
Nov	257	212	169	128	91½	59½	37½	18½
Dec	281	-	196	-	119	-	62	-
Mar	325	-	247	-	177	-	118	-
Jun	362	-	288	-	222	-	162	-
Sep	390	-	320	-	255	-	195	-
PUTS								
Oct	3½	4½	7½	12½	24½	44½	76½	117
Nov	9	12	17½	24½	39½	56½	80½	113
Dec	11½	-	24	-	47½	-	87	-
Mar	30	-	45	-	75	-	107	-
Jun	40	-	60	-	85	-	120	-
Sep	55	-	75	-	100	-	135	-

FT-SE EUROTRACK 100 INDEX (*1104)

	1050	1075	1100	1125	1150	1175	1200	
CALLS								
Dec	85	65	45	26	15	9½	4	-
Mar	112	92½	69½	57½	40½	27½	19½	-
PUTS								
Dec	7	11	14	23½	35	47	67	-
Mar	13	16	21½	27½	35½	47½	57½	-

FT-SE INDEX (*2644)

	2450	2500	2550	2600	2650	2700	2750	2800
CALLS								
Oct	217	167	122	79	44½	20½	7½	2½
Nov	236	192	150	110	76½	48	27	16
Dec	260	219	178	139	104	73½	50½	31
Jan	280	238	190	160	126	97	71½	51½
Jun †	-	300	-	235	-	175	-	125
PUTS								
Oct	5	6½	11½	17½	37	66½	106	156
Nov	11½	16½	24	35½	54½	79	113	157
Dec	17½	24	33½	46½	63	87	118	159
Jan	22½	29½	39	51½	68½	91½	121	161
Jun †	-	65	-	90	-	130	-	187

October 2 Total Contracts 28,232
Calls 15,144 Puts 13,088
FT-SE Index Calls 2,159 Puts 3,940
Euro FT-SE Calls 39 Puts 32
Eurotrack 100 Index Calls 0 Puts 0
*Underlying security price. † Long dated expiry months.
Premiums shown are based on middle prices.

Company warns of possible contingent loss from £15m investment in Brent Walker

Smurfit declines to I£75m but lifts dividend 40%

By John Thornhill

JEFFERSON Smurfit, Ireland's biggest publicly-listed company which accounts for about 22 per cent of the Dublin market's capitalisation, yesterday revealed a 9 per cent drop in interim pre-tax profits to I£75.19m (£69m) but sweetened the blow with a 40 per cent rise in the dividend.

The paper and packaging company warned, however, of a possible contingent loss from its £15m investment in Brent Walker, the teetering UK leisure group. It had decided not to take an extraordinary charge at present for fear of prejudicing any litigation.

Mr Dermot Smurfit, joint deputy chairman, said it had clearly been a mistake for the company to invest in Brent Walker. The most satisfactory outcome for shareholders and bondholders alike might be if Lonrho were to take over the business.

In the six months to July 31, sales grew from I£484.8m to I£611.3m and trading profits were I£73m (I£51m).

However, a loss from related companies of I£3.2m – against income of I£16.7m last time – and reduced interest receivable of I£5.37m (I£14.74m) deflated the pre-tax outcome, which compared with I£82.4m last time.

US operations were badly affected by recession, with a squeeze on prices in the linerboard and newsprint markets. Operating profits from North America fell from £10.8m to £728,000.

Activities in Europe showed a patchy trading performance. Good results from Ireland, France, the Netherlands and Germany were counterbalanced by weak markets in the UK, Spain and Italy.

The biggest regional contribution came from Latin America which chipped in £30.06m (£26.8m) with particularly good growth from Venezuela.

At the end of the half year, Smurfit had I£892m (I£854m) cash set against bank debt of I£718m (I£548m). Net assets per share stood at 362p (343p).

Explaining the dividend increase to 2.202p (1.573p), Mr Smurfit said: "We have tried to persuade the market that Jefferson Smurfit was a capital growth stock, but the fact is that we have not managed to do so. In the UK and Ireland [where 90 per cent of the shares are held] the market looks for regular dividend income.

"We have always been a low yield stock, but we will have to improve the yield over the next few years," he said.

Mr Smurfit again refrained from saying how the company intended to spend its cash pile. But he suggested that prices for possible acquisitions were still too high. "It may well be cheaper for us to build rather than buy."

Trading conditions in the second half of the year would remain difficult as the long-awaited recovery from recession in many of its markets had failed to emerge.

Earnings per share fell to 25.3p (27.2p) basic and 23.4p (25.1p) diluted.

See Lex

Dermot Smurfit: mistake to invest in UK leisure group

Reg Vardy raises £13m to expand dealerships

By Peggy Hollinger

REG VARDY, the motor distributor, yesterday unveiled a £12.9m placing and open offer, prompting a 13 per cent jump in the share price to 148p.

The placing, 1-for-3 at 120p, was four times over-subscribed. Group share capital will be enlarged by about one third, diluting chairman Mr Peter Vardy's holding from just over 70 per cent to 52 per cent.

The group plans to use the proceeds to expand its dealerships, concentrating on the Nissan franchise. The company was the first UK motor dealer to win a franchise from the Japanese manufacturer after it decided to take over the distribution of its cars in the UK.

Mr Vardy said the group was determined to take advantage of the increasing Japanese presence in the UK.

The group hopes to open five Nissan dealerships by the spring, at a cost of about £2m per outlet. Committed capital expenditure so far this year is £4.7m. This will go towards developing a large Nissan dealership outside the manufacturer's Sunderland factory, opening body shops, and two used car operations.

The five new Nissan outlets will also balance the Ford franchise, said Mr Vardy. The group expected Nissan turnover of about £50m, compared to £55m for the Ford outlets. Ford has has seen its market share in the UK shrink from 24.3 per cent in August 1990 to 21.8 per cent in the same month this year.

After the expansion, analysts welcomed the news as a move in the right direction. "It's a good idea, good timing, everything's good about it," said Mr Harry Philips of Panmure Gordon.

Mr John McCready of Granville Davis, said: "Although the offer will be dilutive in the short term, it is going to accelerate the expansion in Nissan dealerships. It is almost certainly a good move."

Vardy holds 12 franchises in the specialist and volume car market, and will have 24 outlets after the Nissan dealerships come on-stream.

Jardine to announce insurance flotation details within days

By Richard Lapper

JARDINE MATHESON, the Hong Kong-based trading group, is expected to announce details about the flotation of its insurance broking subsidiary, Jardine Insurance Brokers, in the next few days.

Jardine will sell a substantial minority stake in the broker, which has grown rapidly over the last ten years and is valued at about £200m.

The offer will be the largest on the London stock exchange since the flotation of Mirror Group Newspapers earlier this year.

According to Mr John Barton, group chief executive, the flotation is designed to fund future expansion and boost Jardine's profile in the market for commercial insurances, which generates about 70 per cent of its income.

In addition the new issue will allow a group of 30 to 40 senior executives to realise the value of their share options in the company.

Staff will have priority access to the offer ahead of the public.

Jardine, the eighth largest insurance broker in the world, generated pre-tax profits of £15.1m in 1990, over 50 per cent higher than in 1989.

Turnover grew from £128.2m to £150.6m. Investment income amounted to £17.9m compared with £16.3m in 1989, of which 70 per cent came from retail sales to commercial companies. Typical accounts are from "medium sized companies which do not have risk managers" said Mr Barton.

The group also specialises in marketing insurance to affinity groups such as trade associations and trades unions – Jardine's is the leading broker for local government in Australasia and for privatised bus companies in the UK, for example.

Of revenues 14 per cent were generated by wholesale operations – placing complex high value and predominantly, overseas risks into the London market – and 13 per cent from reinsurance placements.

Wholesale and reinsurance operations are concentrated in London and in 1990 generated over 50 per cent of Jardine's pre-tax profits.

About 20 per cent of Jardine's brokerage revenues are fee-based, with 80 per cent coming from commissions. A further 3 per cent of revenue was generated by Jardine's Lloyd's members agency operation.

The value of the group has been increased by a capital injection of £50m from its parent company earlier this year. The injection permitted Jardine to write off outstanding debt.

ASIT rejects £18.3m offer from SCIT

By Philip Coggan, Personal Finance Editor

ANGLO Scandinavian Investment Trust yesterday rejected the £18.3m offer from Scottish Cities Investment Trust, one of the companies associated with the Finsbury business empire built up by the late Sir Walter Salomon.

ASIT said that it was considering a number of proposals with its advisers that might lead to a cash offer which would be "as close as possible to the net asset value attributable to their ordinary shares and gives shareholders substantially more value than the derisory offer to be made by SCIT".

A cash offer at net asset value – currently about 103p – would be worth considerably more than the current SCIT bid. ASIT shares accordingly jumped 2½p to 87p yesterday.

ASIT did not give any details of the proposals. Unitisation, whereby an investment trust is converted into a unit trust, is not a realistic option, because of the illiquidity of ASIT's holdings.

Instead, the expectations are that an outside party might be interested in making a cash offer for the trust, and then in exploiting the predatory potential of ASIT's investment trust holdings.

ASIT has stakes in three trusts in the Finsbury empire, including a 41 per cent holding in Lancashire & London, the smaller companies trust for which ASIT made a bid earlier this year.

SCIT is sending out its offer document to ASIT shareholders today.

Its bid is based on the formula asset value of ASIT, which essentially equals the net asset value of the trust, minus the wind-up costs. SCIT is offering 90.25 per cent of ASI's FAV in shares, or 82 per cent of the FAV in cash, with a minimum of 82p.

SCIT has already picked up a 12.2 per cent stake in ASIT and the offer document shows that it has received 15 per cent acceptances from Equitable Life (10.4 per cent) and Fleming Investment Management (4.6 per cent).

BNFL boosts profits £11m to £156m

By Clive Cookson

British Nuclear Fuels (BNFL) announced an £11m increase in pre-tax profits to £156m in its annual report, published yesterday.

The improvement was achieved by cost-cutting against a background of static turnover of £1.04bn and lower export sales.

The government, BNFL's only shareholder, is to be paid a dividend of £50m, up £4m.

BNFL supplies and reprocesses nuclear fuel for the electricity generating industry, and also manages nuclear waste.

"The next crucial phase of the waste management programme must be the development of a deep underground repository to provide secure and lasting emplacement for the nation's radioactive waste," said Sir Christopher Harding, chairman.

Bunzl finance chief to leave post after 1 year

By John Thornhill

BUNZL, the paper and packaging group which is still recovering from its acquisitive binge of the late 1980s, yesterday announced it was to replace Mr Donald Latimer as finance director.

Mr Latimer, a long-serving Bunzl executive who was closely associated with Mr James White, the now-departed architect of the group's frenetic growth, has been in the post of finance director for little over a year.

He leaves the board with immediate effect but will continue to work at Bunzl on a part-time basis until taking early retirement next year.

The new finance director is Mr David Williams, formerly finance director of Tootal, the textiles group. While there, Mr Williams worked with Mr Anthony Habgood who became chief executive of Bunzl two months ago.

Mr Habgood said: "I am trying to form a new team to take the company forward and Donald Latimer and I mutually agreed that he did not fit in very well."

DC Gardner willing to start bid talks

DC Gardner, a financial training and consulting company, is considering the conditional offer by Capelfield, a company controlled by Mr DC Gardner, the founder and former chairman of DC Gardner, to acquire certain divisions.

The Gardner board says it unanimously believes that the conditional offer of £11m to acquire the banking training and outplacement divisions is inadequate but has indicated that it is prepared to commence discussions.

The company said that the disposal would be a major step for Gardner and any decision to proceed would be made in the light of the group's strategic priorities.

Mr Gardner is building up Capelfield as a training and human resource consultancy company.

Unapproved $2m paid to GWR chief

By Norma Cohen and Peggy Hollinger

MR DAN Pena, the chairman of beleaguered Great Western Resources, received $2m, or about £1.1m, in remuneration and loans in the fiscal year just ended, in addition to his $600,000 per year salary, the company said yesterday. The payments were approved at a board meeting in May.

Mr Mark Harrison, vice-chairman, received a loan of $500,000 at the same time. As part of a re-organisation announced yesterday, Mr Harrison is leaving the company and repayment has been deducted from his compensation package.

The payments were approved by GWR's board which failed to obtain the necessary shareholder permission for the loans. Under UK law, the Houston-based, but London-listed, natural resources company must obtain shareholder approval to make loans to directors.

According to GWR's public relations firm, the board also failed to inform the company's lawyers, or Samuel Montagu, its financial adviser, or SG Warburg, its stockbroker. Samuel Montagu is currently preparing a circular which will retrospectively ask shareholders to approve the payments at an extraordinary general meeting later this year.

The payments to Mr Pena consisted of a $1.2m cash payment intended partly to cover a possible future capital loss on his home in California which he has not yet sold. It was agreed by the board in 1990 that Mr Pena should move to Houston.

Also, Mr Pena borrowed $850,000 from the company to cover private debts to banks, which held his shares in GWR as collateral. The banks called in the loans when the value of the shares fell sharply. He is paying 9 per cent interest on both loans.

Late yesterday, Mr Pena and other company officials were meeting UK shareholders to discuss the payments with them. At least one major institutional shareholder said it would be unwilling to approve the payments retrospectively.

GWR's share price fell to 9p yesterday from a peak of 242p just over a year ago. The company said it expected to report a "substantial" loss for the year to September 30. The company has been tied up in litigation with South Carolina Public Services Authority, its single biggest customer. SCPSA, which accounts for 53 per cent of GWR's revenues, is challenging the terms of a coal contract agreed in 1976.

Exceptionals push Bluebird to £4.5m loss

By Peggy Hollinger

BLUEBIRD TOYS, the maker of childhood favourites such as the Big Red Fun Bus, tumbled into losses for the first half amid falling sales and heavy restructuring charges.

Interest charges of £1.08m (£982,000) and exceptional items of £3.34m drove the taxable return into a £4.47m deficit for the six months to June 30, compared with a profit of £335,000 last time.

Mr Torquil Norman, chairman, said the group had avoided an even bigger loss by taking swift action to cut overheads. All production would be concentrated in one factory from January, administration would be handled by a single office, and the Bluebird and Merit ranges – toys for very young children – had been joined under the same sales force.

The group had suffered from "expanding too fast at a time when the market was buoyant. We could do nothing wrong . . . However, the last 12 months have been tough sledding," Mr Norman said.

Bluebird suffered a 30 per cent decline in sales to £11.6m. Customers had been left with high levels of stock after a disappointing Christmas and simply failed to reorder, he said.

The group aimed to cut its stock levels by about half before the year-end and was producing only to order. "If we disappoint some customers, that will be too bad," Mr Norman added.

Overseas sales rose by 5 per cent to £4.8m, largely due to a ¾-inch doll named Polly Pocket. The diminutive plastic figure comes complete with a compact-sized environment and has been "astonishingly successful", Mr Norman said, adding that it is the best-selling girl's toys in Japan.

Bluebird said it had firm overseas toy orders totalling £9.5m so far this year, a 26 per cent increase on the whole of last year.

Trading in the second half would be profitable although the group would still record a loss in the full year. About two thirds of sales come in the last six months, and most of them in the last quarter. However, Mr Norman said that the full-year loss would be lower than that incurred in the first half.

Earnings per share plunged from 2.8p into a 46.1p loss. Mr Norman said that the final payout would be withheld this year, although an interim dividend would be considered in 1992.

Running into trouble - Bluebird's Big Red Fun Bus

Courtaulds Textiles sells French offshoot

Courtaulds Textiles, the clothing, spinning and fabric group, has sold Etablissements Delebart-Mallet Fils, its French acrylic yarns business, to the Mossley Group, which already has spinning interests in both France and the UK.

Consideration covers a nominal sum and £4.5m of existing borrowings. It will give rise to an asset write-off of £4.7m in Courtaulds accounts, of which £2m was provided midway.

UK COMPANY NEWS

Higgs and Hill falls to £1m in 'worst trading'

By Roland Rudd

HIGGS AND Hill, the housebuilding, construction and property group, yesterday blamed the worst trading conditions in its history for a 70 per cent fall in taxable profits from £3.57m to £1.06m for the six months to June 30.

Profits were also depressed by a £592,000 exceptional item relating to redundancy costs. By the end of the year the group will have shed about 20 per cent of its 1,500-strong workforce.

Turnover in the half year fell from £225.5m to £190.9m.

The group was also hit by a £967,000 extraordinary item incurred from losses arising on the sale of investment properties.

Mr Colin Archer, finance director, said the consideration from investment disposals was always taken as an extraordinary item, because it was unrelated to its main business.

"In the past we have made big profits. It just so happens that it is now in our interests to have the sale as an extraordinary item but it was not in the past."

Sir Brian Hill, chairman, said: "These results reflect the depth of the present recession, which has produced the worst trading conditions that I can remember. It will be some considerable time before our industry experiences a sustained recovery."

The group has deferred starting any property projects while the UK housing market remains "moribund".

More projects are expected to start in Europe. Although the French property market has slowed, the group has sold one development and in Spain it has sold three of its four office development units for about £5m each.

The UK construction division is now evenly split between the south-east and the rest of the country. The latter area has shown significant signs of a recovery.

Although the order book stands at about £300m, Sir Brian warned that the workload might reduce in the short-term, since the group was not prepared to bid for unprofitable work.

The balance sheet remains strong with £13m debt, representing 12 per cent of shareholders' funds.

Borrowings of joint venture companies have been reduced from £31m at the end of last year to £15m at the half year.

Earnings per share fell from 6.6p to 1.7p. The interim dividend is maintained at 6p.

Construction weakness cuts Melville to £3.1m

By Michiyo Nakamoto

WEAKNESS IN the UK construction industry hit profits at Melville Group, the exhibition services contractor which is disposing of all non-core operations to concentrate on the fitting out of exhibitions, museums and interiors.

Pre-tax profits tumbled by 59 per cent to £3.13m (£7.62m) in the year to June 30, reflecting the downturn in orders for its interiors business.

Turnover fell to £85.6m (£111.7m). The contribution from exhibition services and interior fitting out fell by about £10m, mostly attributable to the downturn in the interiors business, said Mr Steve Wiltshire, corporate finance manager.

The group has restructured its operations and losses arising from disposals and provisions for diminution in value of subsidiaries resulted in an extraordinary charge of £2.55m, leading to a retained loss for the year of £1.89m.

Business was particularly difficult in the first three months which were affected by the Gulf war, and orders for interiors during that period were "very very low indeed," Mr Wiltshire noted.

Although order intake had improved since then, the profit contribution from the division nearly halved to £3.27m (£6.1m).

Sales from exhibition fitting in the UK were more or less flat but Europe saw a 40 per cent increase.

The group has rationalised its exhibitions and interiors activities, closing two businesses and reducing the number of employees by about 10 per cent.

The building products division reversed into a loss of £135,000 from a £1.26m profit.

Although the group still has residual interests in commercial and residential property, steps are being taken to reduce investments.

A £1.9m provision against falling property values was taken, bringing the total amount of property provisions since the previous financial year to £4.9m. The group still has £12m invested in property.

Melville is looking to the buoyant European market to contribute over 30 per cent of profits next year. The total European market is worth £2.5bn, of which Germany has 25 per cent, France 20 per cent and the UK about 12 per cent.

Acquisitions to that end have largely been completed although one possible acquisition is still being considered in Germany.

Borrowings of £12.1m give gearing of 96 per cent but net interest is covered 6 times.

Earnings per share plunged to 4.81p (13.26p) and a reduced final dividend of 1.6p (3.6p) makes a total of 3.2p (5.2p) for the year.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetables.

TODAY

Interims- Anglo American Gold, Clinton Cards, Eaga, Forte, Hewden Stuart, International Communication & Data, Martin (Albert), Next, Sheffield Insulations, Sherwood Group.

Finals- Amstrad, Gelliford, Intersurope Technology Services, International Media Communications, Norex, Pict Petroleum, Renishaw.

FUTURE DATES

Interims-	
BAA	Nov. 19
FR	Oct. 22
Gates (Frank G)	Oct. 11
Le Creuset	Oct. 16
Lands	Oct. 9
S & U Stores	Oct. 8
Silngsby (HC)	Oct. 11
Time Products	Oct. 8
Finals-	
Aberforth	Oct. 4
Microfilm Reprographics	Oct. 4
Town Centre Securities	Oct. 10

Move into new areas helps lift Photo-Me

By Michiyo Nakamoto

DEMAND FOR photographic identification, even in a recessionary climate, and the resilience of its core business lifted pre-tax profits at Photo-Me International, the world's largest photo-booth manufacturer and operator.

Taxable profits in the year to April 30 improved to £17.1m from a previous £16.9m.

The shares gained 11p to 255p on the news.

"We've had a tough year in the UK but we've stayed ahead," commented Mr David Miller, managing director. The UK operations represent about half of group profits.

However, its geographical spread, with operations in over 100 countries, helped to shield it to some extent from the recession in Anglo-Saxon economies, the group said. Europe and south-east Asia were particularly buoyant during the period.

Turnover was 14 per cent higher at £107.5m (£94m), with both operating and manufacturing activities contributing a fair share to the increase. New activities contributed substantially to the increase in turnover, Mr Miller said.

The identification systems division, which makes business cards and invitations, saw growing demand and together with the express printing operations, made a 7 per cent contribution to group sales.

The group is expanding its electronic photography activities, taking it into the field of souvenir photography. About 50 systems were installed around leisure parks to test consumer demand for souvenir photography, Mr Miller said.

Earnings per share rose to 17.06p (15.54p) and a final dividend of 8p is recommended, for a total of 4.2p (4p).

A subsidiary of the French KIS Photo Industrie group, which makes Photo-Me's photo card printers, has taken a 20 per cent stake in the group.

Mr Miller said that the holding made sense because of the close working relationship between the two groups.

Capital expenditure was stable at about £21m for the year, £17m of which will be revenue-producing assets.

Carpet division suffers as Lamont falls

By Peter Franklin

IN "the most difficult trading conditions" it had ever experienced, Lamont Holdings, the Northern Ireland-based textile group, reported a 22 per cent profits decline in the six months to end-June.

Despite a 7 per cent improvement in turnover from £52.4m to £56.1m, profits before tax fell from £5.02m to £3.92m.

Sir Desmond Lorimer, chairman, said that carpets had suffered most, with turnover falling by £2.6m to £25m and profit by £400,000 to £1.6m. This trend had continued into the present half.

The investment in Bonded Fibre Fabrics resulted in interest income dropping from £709,000 to just £22,000.

The computing division, in spite of achieving increased turnover of £5.3m (£4.67m), had a disappointing first half, although the software business improved its performance. Profits fell to £373,000 (£512,000).

The interim dividend is maintained at 3.5p, covered just over 3 times by earnings per share of 11.21p (13.79p).

Company doctor tested by trying patient

Michael Skapinker on the problems facing the chairman of Ferranti International

IN HIS spare moments, Mr Eugene Anderson, chairman of Ferranti International, is reading Cold Comfort Farm. Shareholders might think that the novel's title is a good description of the company.

Mr Anderson told the annual meeting last week that Ferranti, which lost £98.1m pre-tax in 1990-91, would not make a profit this year. He said the company was unlikely to receive any significant compensation from the people allegedly involved in the massive fraud at ISC, Ferranti's US subsidiary.

The shareholders already knew the rest of the bad news. The company is in breach of covenants with its bankers, although Mr Anderson is optimistic that this can be sorted out.

Ferranti International Controls Corporation, which produces electrical power management systems, is being sued by two US customers and has sought the protection of Chapter 11. Shareholders are painfully aware that Ferranti is still some way from being able to pay a dividend.

Mr Anderson had hoped to tell them that the company had transferred its missile business to the General Electric Company, settling a dispute over whether GEC paid too much for Ferranti's radar business last year.

The deal depends, however, on GEC being convinced that the United Arab Emirates is still committed to the final stages of an air-launched bombs and missiles contract. Those negotiations have not been completed.

Two shareholders vented their fury against Mr Anderson. A pensioner complained that he had put his savings into Ferranti shares when they were worth more than £1 each and had watched them sink to 9½p by last week's meeting. Another objected to employees being granted share options when the company was still in such trouble. "We need a shareholders' revolution," he told Mr Anderson.

Eugene Anderson: I'm totally unbored here

Most shareholders, however, seem sympathetic to Mr Anderson. He was recruited after the fraud was discovered and after the departure of Sir Derek Alun-Jones, the previous chairman.

Although the US-born Mr Anderson has yet to prove that Ferranti is susceptible to his talent for turning troubled companies around, few in the City are prepared to criticise him.

"It must be hard for him to go into work every day, let's face it," says Mr Martin Mabbutt of the Nomura Research Institute. "Constant legal battles, pressure from the banks, everything undertaken against a background of suspicion and mistrust."

If Mr Anderson is depressed by his job, he was not showing it in an interview in his office in London's Millbank Tower. "If you take a job like this one you probably live through several business life-times. But I'm totally unbored here," he says.

The City's view is that Mr Anderson underestimated his task, but then so did nearly everyone else. When he took over in February last year he found one of the oldest and proudest names in British electronics laid low, not just by the ISC fraud but by appalling management.

"I was like everyone else. I'd looked at the published information," Mr Anderson says. He makes no direct criticism of the past management, but says: "As I've got more deeply into the company I realised that the task was radically more difficult than I anticipated."

Apart from selling £95.7m of assets during 1990-91, Mr Anderson has followed the usual management routine of emphasising quality and improving employee communications. Why, however, in view of the company's past weaknesses, has he made so few changes at the top?

Apart from himself, all the current members of the Ferranti board – executive and non-executive – were directors before the fraud came to light, except Mr Ian Ball, and he has been with Ferranti for 35 years. Mr David Shipley of Coopers & Lybrand, the accountants, is acting finance director, but Mr Anderson accepts that he will have to be replaced by someone permanent.

"One must not underestimate the importance . . . of continuity for a person like myself who comes without any significant experience of the defence industry," Mr Anderson says. "These are people who were able to give me a quicker and deeper understanding of the business than I could have obtained through anyone else."

He concedes too that experienced managers are not lining up to join the company. "You can understand that there are not many people who would wade into Ferranti, especially when you're trying to attract them from some cosy little nest."

If Ferranti's missiles business does go to GEC, Mr Anderson estimates that his company's turnover will be between £300m and £350m, compared to £458m last year and £795m the year before.

Mr Simon Street of Barclays de Zoete Wedd argues that Ferranti will be too small to compete effectively with defence groups like GEC and Thomson-CSF of France.

Mr Anderson says that with its naval and civil systems divisions, Ferranti "will not be an insignificant group in any way, but I recognise the point, which probably implies some means of co-operation with other companies in the fullness of time when we get back to positive cash flows and profits."

What he has in mind, are joint ventures like that with Thomson in sonar systems. Is his ultimate ambition to sell off what remains of the group?

"That's partially out of my hands," he says. "The irony of all this is that once we solve the life-threatening problems and get the company in a cash and profit positive state, we become a rather attractive entity I would have thought."

Ferranti's shares closed unchanged last night at 8½p, valuing the company at just £80m. With the continuing legal and business problems of what remains of Ferranti, clearly no one regards it as an attractive buy yet.

Global vehicle slowdown behind 59% dive to £0.7m at Bostrom

By Peggy Hollinger

A SEVERE slowdown in the world vehicle market left taxable profits down 59 per cent at Bostrom, the seating and precision engineering specialist.

Mr Martin Makey, chairman, said that the company's long-term strategy had not changed, but the recession had reduced the speed at which it could be achieved.

A slight increase in the enquiry rate was giving some expectation that the worst effects of the recession would be over by early 1992, Mr Makey added.

The pre-tax outcome fell from £1.79m to £736,000 in the six months to June 30. Three acquisitions last year, which made marginal profit contributions in the first half, helped sales hold firm at £18.9m (£18.8m).

Mr Colin Howell, managing director, warned that the second half could be tougher than the first. "It would take a remarkable set of events to give us any improvement and so far we don't see any signs of a pick-up," he said.

Of the groups three divisions – vehicle seating, component manufacture and specialist engineering – the last was hardest hit by recession. Sales on a like-for-like basis fell by about £1m in the period.

The seating business suffered from the slowdown in demand for construction vehicles. In the UK, truck sales had fallen by 56 per cent in the last two years, Mr Howell said.

Bostrom's joint venture to supply the luxury car market with BFA, the French car seat maker, had incurred losses. However, Mr Howell said the group had taken steps to minimise the impact on group profits.

The good news came from overseas, where the group raised market share in Korea and Japan.

"The Far East is becoming increasingly important to us," Mr Howell said.

Earnings per share fell from 13p to 4.9p on an actual tax charge of 13.4 per cent, utilising losses. However, on notional tax of 33.25 per cent, earnings fell to 3.8p (10p). The interim dividend is maintained at 2.5p.

M&G named as third manager for J Rothschild Assurance

By Norma Cohen, Investments Correspondent

J ROTHSCHILD Assurance, the life assurance company formed by Sir Mark Weinberg and Lord Rothschild, yesterday announced M&G Investment Management as a third investment manager.

The new company, which will begin operations on January 2, intends to offer policyholders the option of having their funds managed by any one of three managers or by a combination of all of them.

Mr Mike Wilson, chief executive of J Rothschild, said that currently only two other UK life assurance companies offered clients the opportunity to diversify their investments by spreading them among several fund managers.

Because the fund managers have different investment approaches, policyholders will be able to choose the style that suits them best.

The company's two other fund managers are Scottish Amicable, holder of a 20 per cent stake, and Lord Jacob Rothschild's Bishopsgate Unit Trust Group. Bishopsgate is to be renamed St James's Place Unit Trust Management.

Scottish Amicable and M&G will also act as investment managers to a number of new unit trusts to be established by St James's Place.

M&G was a founder of the unit trust industry and is Britain's largest unit trust group.

The move represents the first time that it will manage funds for other life assurance and unit trust groups. Thus far, it has only managed funds for pension funds and outside charities.

Murrayfield debentures to start at £1,200

By James Buxton

THE ULTIMATE non-interest bearing security, the Murrayfield debenture, was priced yesterday.

It gives investors the right to buy a ticket for a designated seat at Murrayfield stadium in Edinburgh for Five Nations championship rugby union matches for the next 50 years.

The 18,500 debentures on offer are intended to finance the entire £37m cost of expanding and upgrading Murrayfield by the end of 1994.

It is a rare chance for people who are not members of Scottish rugby clubs or holders of a 1925 debenture or a 1983 interest free loan to secure tickets for Murrayfield. For them, getting into Murrayfield has depended on knowing the right people.

The cheapest are 9,100 A debentures costing £1,200 for the North and South stands which will go all-seater from January 1993. There are 7,900 B debentures at £2,200 each for seats in the East and West stands.

Then come 1,000 C debentures at £3,500 and 500 D debentures at £9,900, whose holders will have priority rights to buy hospitality packages in suites which are to be built.

Since the Scottish Rugby Union began advertising last month in Scotland, England and overseas dens of rugby support such as Hong Kong, 26,000 people have pre-registered, most of them wanting two seats each.

Not all pre-registrations will turn into applications but with the Rugby World Cup underway today oversubscription is likely. First come, first served is the selection process.

Although most of the new seats are not due for completion until 1993 and some not until 1995, the SRU is offering the first 11,000 applicants for A or B debentures who apply by October 25 the right to purchase a ticket for one of the two 1992 internationals.

People applying for seats due for completion by January 1995 may buy tickets for two matches in 1993 and 1994.

Royal Bank of Scotland is offering five year loans at a flat rate of 9.5 per cent (APR 17.8 per cent) to debenture purchasers.

Glasgow stockbroker Speirs & Jeffrey is applying to the Stock Exchange for permission to trade the debentures under Rule 535.2 on a matched bargain basis.

● *To obtain a prospectus and application form ring 0345-151515. People who pre-registered should have already received them.*

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corres-ponding dividend	Total for year	Total last year
Ash & Lacy	int	2.5	Nov 16	2.5	-	6.4
Bank of Scotland	int	1.7☆†	Dec 19	1.67*	-	4.77*
Bostrom	int	2.5†	Nov 22	2.5	-	6
EW Fact	int	1.21	Nov 5	1.1	-	3.85
Global §	int	0.2†	Nov 11	nil	-	0.5
Higgs and Hill	int	6†	Dec 2	6	-	20
Ipeco	int	1.2	Nov 15	1.2	-	3.2
Lamont	int	3.5	Dec 2	3.5	-	12
Melville Group	fin	1.6†	Nov 22	3.6	3.2	5.2
Photo-Me Intl	fin	3	Dec 12	2.6	4.2	4
Smurfit (J)	int	2.202♣	Dec 31	1.573	-	5.053

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. §USM stock. ☆Carries scrip option. ♣Irish pence.

NEWS DIGEST

Ash & Lacy slips to £2.31m

ASH & LACY, the West Midlands-based galvanising and metal pressings group, reported taxable profits of £2.31m for the six months to June 28.

David Fletcher: pleased with 'solid contributions'

The outcome, which compared with profits of £2.85m last time, was achieved on turnover of £27.8m (£28.1m).

Mr David Fletcher, chairman, described the performance as "particularly good". It included, he said, a "solid contribution" from existing businesses and encouraging results from Eden Material Services and Société Nantaise de Galvanisation, both acquired last October.

The interim dividend is maintained at 2.5p, payable from earnings of 6.04p (5.94p) per share.

REA Holdings falls to £225,000

Taxable profits at REA Holdings, the plantations and commodity trading group, fell from £406,000 to £225,000 in the half-year to June 30.

The company ascribed the decline to the Gulf crisis and the worldwide recession.

The produce merchanting side, helped by first-time results of REB Willcox, acquired in June 1990, saw profits slide to £111,000 (£153,000); plantations tumbled to £22,000 (£342,000); the warehousing and storage division, acquired at the end of 1990, made a maiden £176,000; and other activities contributed £174,000 (£55,000). Interest took substantially more at £228,000 (£144,000).

Group turnover climbed to £41.1m (£26.5m). Earnings slumped to 0.5p (2.6p).

Core growth helps EW Fact rise 31%

A strong performance from its core business of professional accountancy tuition helped EW Fact report taxable profits 31 per cent higher in the first half to June 30.

The advance at this USM-quoted company from £434,000 to £570,000 was achieved on sales of £2.43m (£2.32m). The interim dividend is raised to 1.21p (1.1p) on earnings per share of 5.15p (5.05p adjusted).

Mr Emile Woolf, chairman, said that in July the company decided to close Regent Group, which undertook government-funded skills training. This would be reflected by an extraordinary provision in the full-year accounts.

Ipeco declines 11% to £1.73m

Ipeco Holdings yesterday announced an 11 per cent fall in taxable profits from £1.95m to £1.73m on sales down 5 per cent at £8.71m for the first half to June 28.

The Southend-on-Sea-based company said that a few markets had experienced recessionary pressure, but this had been offset by improved performance elsewhere. Cash resources remained strong with net cash of about £3.8m, and trading prospects in the short and long term were encouraging.

The interim dividend is maintained at 1.2p on earnings per share of 4.14p (4.53p).

Lack of property input cuts Global

Absence of any income from property activities left taxable profits at Global Group down sharply from £2.6m to £959,000 in the first half to June 30.

The comparable period benefited from a £1.5m contribution from property.

The directors of this USM-quoted company said that its other divisions – shipping services and food – experienced a 13 per cent fall in pre-tax profits.

They also announced a proposal to demerge the latter division into a separate public company to support management plans for growth.

No income is expected this year from property activities, the company is awaiting the outcome of a planning inquiry effecting its plan for a business park in Goole, Humberside.

An interim dividend of 0.2p (nil) is to be paid from earnings of 0.56p (1.6p).

New risk managing arm at Sun Alliance

Sun Alliance, the UK's biggest composite insurer, has announced the establishment of Hazard Management, a specialist risk management company.

The new company, which is to be a subsidiary of Sun Alliance International, the division which sells industrial risks insurance policies to commercial customers, will provide a new focus for various risk management activities developed by Sun Alliance over the past 15 years.

It will offer services ranging from so-called "sleep easy" safety assessments to highly specialised advice on fire engineering systems either on a fee basis or as part of overall insurance programmes.

A growth in interest in risk management among UK industrial companies provides the backcloth for the new initiative.

According to Mr David Marwood, the director of the new company, "UK businesses are recognising the importance of their exposures to uninsured losses."

The initiative is expected to increase Sun Alliance's profile in a business which has been dominated hitherto by the bigger insurance brokers. Willis Corroon, for example, announced last month that it had acquired full control of Hinton & Higgs, the UK's biggest health and safety consultancy.

Toye shows little change at £373,000

Pre-tax profits at Toye & Company, which makes civil and military regalia and is involved in other craft industries, were flat in the six months to June 30.

On external group sales of £6.77m (£6.3m), profits came out at £373,000 (£371,000). Mr Bryan Toye, chairman, said that the export order book had been strong in the half but that underlying UK trade had been patchy.

The BCCI closure had delayed at least one customer securing alternate letters of credit for a substantial export contract, he added.

Earnings edged ahead to 10.6 (10.5p) per share.

Uzbekhistan sees gilt-edged future

Gold reserves promise rich returns, writes Ariane Genillard

Mr Khasan Igamberdiev, director of the state-owned company in charge Uzbekhistan's gold production, fiddles impatiently with electric wires. Suddenly, on the wall a map made of thick glass lights up to reveal Uzbekhistan's 10 gold mines.

Uzbekhistan's production of gold, until now veiled in secrecy, is referred to repeatedly in the Soviet Central Asian republic nowadays. Indeed, the Uzbekhistan leadership regards it as its strongest bargaining chip in the coming economic negotiations to be held with Russia. It claims that jurisdiction over the Uzbek gold passed from Moscow to the republic when independence was declared on September 1. "Not an ounce of it will go to Moscow any longer," declares Mr Igamberdiev.

According to the Uzbek president Mr Islam Karimov, Uzbekhistan produces a third of the former Soviet Union's total annual gold output. About 80 per cent of it comes from mines in the Navoi desert, on the north western part of the republic's territory. Until the abortive Kremlin coup in August the region was under Soviet military control because uranium is also extracted there.

Uzbekhistan intends to use its gold to boost its revenues. Under the pre-coup Soviet trade system, the republic received only 20 cents from every dollar's-worth of gold sold abroad according to Mr Igamberdiev. He admits however that it will take a year or two for Uzbekhistan to sell its gold by itself. His company has no experience of gold trading, which was always handled in Moscow.

Uzbekhistan will seek foreign partners to develop and modernise its gold extraction, adds Mr Igamberdiev. A contract is under way with the California-based PRA Gold. The company will refine 15m tonnes of gold waste accumulated over the last 20 years. "Given our out-moded extraction technology about 10 per cent gold is estimated to remain in this gold waste", explains Mr Igamberdiev.

For Mr Aleksander Seminko, a Russian working in the gold mine near Angen city, the change in ownership will make little difference. Spending his days a mile underground, he has never seen gold other than in jewellery shops. Next to him stands a huge hill of what looks like dusty grey cement. One tonne of it will yield between two and six grammes of gold. But Mr Jurabek Almabietov, the Uzbek worker guarding a small room in the nearby refinery, has seen plenty of the yellow metal. After a lengthy process, gold powder accumulates in this room, up to 200 kg of it every month, according to the factory director, Mr Shafkat Najimov. "This gold belongs to Uzbekhistan," the guardian claims proudly.

On the iron door are big wax seals, which collectors sent from Moscow used to break every month to collect the gold powder, "We are waiting for it to fill up, and then, for the first time, we will break it ourselves," says Mr Najimov.

"For decades, Russia has required that we remain a supplier of raw materials. We will no longer tolerate its economic *diktat*," says president Karimov. He hastens to add, however, that Uzbekhistan wants to retain its economic links with the Soviet Union, on which it is highly dependent for grain and energy imports.

Armenia aims to cut out the middle man

By James Dorian

FOLLOWING ITS decision last month to leave the Soviet Union landlocked Armenia will have to live on its wits and seek to encourage tourism, trade, banking and other links with the more entrepreneurial, post-coup, successor states to the Soviet Union. But it will also being trying to boost its income from mineral resources, with which it is also reasonably well-endowed.

Armenian mineral production is at present worth about 360m roubles ($600m) a year, accounting for about 18 per cent of the republic's total economic output. As a mineral producer Armenia is ranked fourth among the 15 Soviet republics, supplying 40 per cent of Soviet molybdenum and large quantities of gold, copper and salt, as well as iron, zinc and other minerals.

The seven principal ore mining enterprises in Armenia, including Armgold, which operates the gold mines, were all closely supervised by Moscow, although Armenians have become increasingly involved in the decision-making processes.

Three gold deposits are being worked,including the Zod underground/open cast mine on the eastern border with Azerbaijan. Zod is a medium-sized mine yielding 80,000-95,000 troy ounces annually, worth about $35m at world prices, from 500,000 to 600,000 tonnes of ore.

In recent months, Zod has operated well below capacity as a result of strife between Armenia and Azerbaijan. The mine is controlled and supervised by Armenians but many labourers fled because of continuing threats of violence. Periodic shortages of electricity and petroleum also hamper mine operations, which Zod officials estimate could continue for another 20 years as ample reserves remain in underground veins.

Until now most mining revenues were transferred to Moscow and partly reinvested by the central government in the Armenian economy. As elsewhere in the former Soviet Union independence for Armenia largely means cutting out the middle man.

James Dorian is research associate at the Minerals Policy Program, East-West Centre, Honolulu, Hawaii

Kazakhstan stakes its claim to precious metals

THE REPUBLIC of Kazakhstan is claiming its share of the Soviet state's gold and silver and establishing its own independent reserves, according to the Tass news agency, reports Reuters from Moscow.

Kazakhstan is the third largest producer of gold among the Soviet republics, behind the Russian Federation and Uzbekistan, according to Western estimates.

"As of next month, all purely marketable gold and silver produced on the territory of the republic will be handled by the specially created consortium Kazalmazzoloto," Tass said.

"Only then is it planned to hand over part of the precious metals, in specifically agreed quantities, to meet all-union requirements," it said.

Kazakh President Nursultan Nazarbayev has instructed the republic's state bank to set up the reserves, hitherto deposited with the Soviet state bank and marketed by the Bank for Foreign Economic Affairs.

Kazakhstan, rich in mineral resources, is one of the few Soviet republics not to have declared independence since August's failed bid to overthrow President Mikhail Gorbachev, but it wants independent status within a renewed federation.

Russia and Uzbekistan are also seeking to control their vast mineral resources. Republican authorities believe they can manage them better than the central government.

Tass quoted Mr Sauk Takezhanov, a senior member of the Kazakh parliament, as saying the republic accounted for about 6 to 7 per cent of Soviet gold production and more than 50 per cent of silver output.

Mr Grigory Yavlinsky, a leading Soviet economist said last week that the country sold large quantities of gold in 1990, slashing reserves to around 240 tonnes. He described that as being about the same as the present annual rate of extraction, suggesting that Soviet gold production is falling.

The Soviet Union is one of the world's biggest producers of gold and silver. Silver output has historically been about 1,600 tonnes a year.

Mr Yavlinsky's gold reserve estimate was well below figures quoted previously by Soviet and Western experts, which have been generally above 1,500 tonnes.

The newspaper Rabochaya Tribuna said one reason for the fall in output was that the industry was no longer attractive for prospective gold diggers because of low pay, heavy taxes and difficult living and working conditions.

"The offices of Glavalmazzoloto (the main state gold and diamond concern) are also in a state of alarm. They understand all too well that the gold production sector will collapse if there are no fundamental changes in relations with northern prospectors," it said.

Gold price climbs to 6-week high

By Kenneth Gooding,
Mining Correspondent

SUGGESTIONS FROM a senior Soviet economist that the former Soviet Union's gold reserves were much lower than most western analysts' estimates continued to buoy up the gold price yesterday and it touched $357 a troy ounce, the highest for six weeks, at one stage in London.

Selling by producers capped the rally and gold closed in London last night at $355.35 up $1.50.

Analysts were also making increasingly confident predictions that the gold price is ready for recovery. Mr Roger Chaplin at Credit Lyonnais Laing, suggested in the group's International Mining Monitor that the price would average $400 next year and go as high as $450 an ounce during 1992.

He pointed out that gold supply would peak this year while jewellery demand continued to exceed newly-mined production. The deficit in supply might be 500 tonnes by 1993-94.

Mr Chaplin also said that the high level of gold sales from the former Soviet Union was unlikely to continue because the independent republics would try to use gold as collateral and backing for their currencies.

Gains were also seen in the silver and platinum markets.

South African ferrochrome rationalisation looms larger

By Philip Gawith in Johannesburg

THE PROSPECT of a further rationalisation of South Africa's ferrochrome production capacity loomed larger yesterday following the announcement that Consolidated Metallurgical Industries was involved in talks with Chromecorp Technology.

Earlier this month Samancor, the world's largest producer, bought the ferrochrome operations of Middelburg Steel and Alloys, the second largest producer. The effect of this transaction was to increase Samancor's production capacity to nearly 1m tonnes a year, controlling of 39.3 per cent of the world's cost-effective ferrochrome capacity.

CMI, with capacity of 330,000 tonnes a year, is the world's third largest producer. The current talks are almost certainly in response to the Samancor/MSA deal, with CMI not wanting to be overwhelmed by the new conglomerate. If the talks are successful then South Africa will, in the course of one year, have gone from five ferrochrome producers to two. Last year, CMI bought Purity Metals. South Africa produced about 40 per cent of world ferrochrome supply of 2.66m tonnes in 1990.

Rationalisation efforts are being driven by the weak state of the world ferrochrome market, the result of oversupply and slack stainless steel demand.

From a high in 1989 of 81 US cents a lb, the price dropped to 47 cents last year, rising to 49 cents in December. This drove many producers into a loss position, including CMI which made a bottom line loss of R24.7m (£4.5m) in the year to June, compared with R71m profit in 1990.

The intentions of producers are already clear with Samancor asking customers to pay 53 US cents a lb in the September quarter, and CMI not far behind asking 52½ cents. Producers know they cannot push prices too high without running the risk of stimulating new production, which is what caused the price to weaken in 1989.

Indian pepper output forecast higher

INDIA'S PEPPER output is likely to be about 60,000 tonnes in 1991-92 (November-October), up from 50,000 in 1990-91, the state-run Spices Board said, reports Reuters from New Delhi.

Exporters said they might find it difficult to sell more pepper in 1991-92 than in the previous year because of the turmoil in the Soviet Union, which has yet to renew its bilateral trade agreements with India for 1992.

The Soviet Union is the biggest buyer of Indian pepper. It bought 17,500 tonnes in 1990-91, more than half of the total exports of 31,871 during the year.

Cardamom exports are is expected to more than double, meanwhile, to 1,000 tonnes from 379 tonnes in 1990-91 the board said.

But India would have to make serious efforts at selling cardamom because of tough competition from Guatemala, said Mr K.G. Nair, the board's secretary.

Indian cardamom output was expected to be about 4,500 tonnes in 1991-92 (August-July), up from 4,100 in the previous year and 3,120 in 1989-90.

Exporters said a sharp devaluation of the rupee in July made India's cardamom exports cheaper. But Guatemala caught up by devaluing its own currency to give its exports an edge. Guatemala is the world's biggest cardamom producer, followed by India.

"Guatemala would have to sell all its cardamom at any price as it does not have any domestic demand," Mr Nair said.

Supplier rejects 'filthiest fuel' charge

By Maurice Samuelson

THE SUPPLIER of a new bulk fuel, which is emerging as a significant competitor to coal in power stations, has hit back at allegations that it poses a grave new threat to the environment.

Orimulsion, a mixture of heavy oil and water developed in Venezuela, was recently described by an energy spokesman of the British Labour party, as the world's filthiest fuel.

Mr Manuel De Oliveira, chief executive of BP Bitor, which markets the fuel in Europe, said in London that it contained 20 per cent less carbon dioxide, the principal greenhouse gas, than coal.

As for nitrogen oxide, a primary cause of acid rain pollution, Orimulsion-fired plants emitted less than plants run on heavy fuel oil and no more than those fired on natural gas, he claimed.

While accepting that Orimulsion emissions contained dangerous metals such as vanadium and nickel, he said that power stations to which it was delivered would be expected to install equipment keeping pollution well within the standards now being drafted by the European Commission.

BP Bitor, jointly owned by BP and Petroleos de Venezuela SA (PDVSA), Venezuela's national oil company, is the largest of three international companies marketing the fuel on behalf of the Venezuelans. The other two operate in North America and Japan.

The Venezuelans believe that Orimulsion exports will climb steadily to 50m tonnes a year, equivalent to the current steam coal exports of South Africa. By the end of the decade, well before that level is reached, the fuel, if priced close to the current world steam coal price of $40 a tonne landed in Britain, could be earning Venezuela about $1.6bn a year.

The supplies would also enjoy long-term security as Venezuela contains 42bn tonnes of recoverable reserves of the bituminous material from which Orimulsion is made. This is equal, in heat terms, to 63bn tonnes of coal, approximately twice the steam coal and anthracite reserves of Australia, currently the world's biggest exporter.

National Power and PowerGen, Britain's two principal power station groups, are among the keenest customers for the new fuel. Their purchases are expected to rise from nearly 3m tonnes next year to 10m tonnes by the middle of the decade.

By 1994, National Power's power station at Pembroke is expected to be burning 4m tonnes a year. PowerGen, its smaller rival, has placed a large order for Ince "B" power station in Lancashire, which is already burning about 100,000 tonnes a year. It has also considered burning it at the Isle of Grain power station on the Thames, but is apparently constrained from doing so by the risk that it would thereby exceed its permitted output of sulphur dioxide emissions, the other leading acid rain pollutant.

Sales of Orimulsion have been increasing slowly because of the scale of the capacity being developed in Venezuela's Orinoco Basin – between $1.5bn and $2bn are expected to be invested there over the next seven years – the need to develop long-distance haulage arrangements, and the complexity of converting large-scale fossil-fired power stations to the new fuel.

In Britain, BP Bitor has placed a contract for the construction of a storage centre at Liverpool docks, where the fuel is landed in 65,000 tonne "Panamax" vessels. The contract for storing the black treacly substance there has been awarded, appropriately, to United Molasses, the sugar processing concern.

In what BP Bitor claims is the biggest contract ever placed with the Manchester Ship Canal Company, it has arranged for the fuel to sent by a fleet of barges to Ince power station.

On the environmental front, Orimulsion also hopes to take advantage of new equipment to burn it cleanly and more efficiently than with conventional boiler plant. It is negotiating with Enel, the Italian national electricity utility, about constructing a 100 MegaWatt power station based on coal gasification technology developed by Texaco, the US oil company.

WORLD COMMODITIES PRICES

MARKET REPORT

THE SLIDE in zinc prices at the London Metal Exchange continued yesterday as speculative selling pushed the cash price down another $7.50 to $992 a tonne, the lowest level since the special high grade contract was introduced on to the exchange in September, 1988. Traders said the $1,000-a-tonne barrier, breached for cash metal on Tuesday after LME warehouse stocks reached a record level, had now become the target for the three months position, which fell $7 yesterday to $1,011.50 a tonne. "People keep trying to pick the bottom of this market and they keep getting blown out," one trader commented. The nickel market surrendered nearly half of Tuesday's rally with the cash position closing $32.50 down at $7,530 a tonne. Dealers said the rise had met overhead resistance and sentiment had been undermined by falls in other LME contracts. Aluminium steadied a little however, although early gains reflecting bargain-hunting and profit-taking purchases were trimmed by speculative and hedge selling prompted by bearish fundamentals. The cash price closed $1.50 above Tuesday's life of contract low at £1,141.50 a tonne. Copper prices closed a little higher as worries about the situation in Zaire were reasserted.

Compiled from Reuters

London Markets

SPOT MARKETS

Crude oil (per barrel FOB)		+ or -
Dubai	$18.10-8.15z	+.275
Brent Blend (dated)	$21.30-1.40	+0.20
Brent Blend (Nov)	$21.00-1.10	+.175
W.T.I. (1 pm est)	$22.25-2.40z	+0.20
Oil products (NWE prompt delivery per tonne CIF)		**+ or -**
Premium Gasoline	$236-238	-0.5
Gas Oil	$204-206	-3.5
Heavy Fuel Oil	$74-76	+0.5
Naphtha	$210-214	+2.0
Petroleum Argus Estimates		
Other		**+ or -**
Gold (per troy oz)♣	$355.35	+1.5
Silver (per troy oz)♣	421.60c	+6.95
Platinum (per troy oz)	358.0	+3.75
Palladium (per troy oz)	$83.50	+0.75
Copper (US Producer)	114.0c	+2
Lead (US Producer)	37.0c	
Tin (Kuala Lumpur market)	14.92r	-0.07
Tin (New York)	269.0c	
Zinc (US Prime Western)	62.0c	
Cattle (live weight)†	103.02p	+1.13*
Sheep (dead weight)†	117.52p	+12.7*
Pigs (live weight)†	76.36p	-1.68*
London daily sugar (raw)	$238.6|	-3.5
London daily sugar (white)	$288.5|	+0.5
Tate and Lyle export price	£244.5	-3.0
Barley (English feed)	£118.0u	+1
Maize (US No. 3 yellow)	£141.0u	
Wheat (US Dark Northern)	£101.0	
Rubber (Nov)♥	52.00p	
Rubber (Dec)♥	52.50p	
Rubber (KL RSS No 1 Oct)	222.0m	
Coconut oil (Philippines)§	$456.0	+15
Palm Oil (Malaysian)§	$342.5q	+10.0
Copra (Philippines)§	$307.5|	-5.0
Soyabeans (US)	£155.0	-1
Cotton "A" index	65.90	+0.45
Wooltops (64s Super)	350p	

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. q-Oct/Dec t-Sep/Dec u-Oct x-Sep/Oct y-Aug/Sep z-Nov |-Oct/Nov. †Meat Commission average fatstock prices. * change from a week ago. ♥London physical market. §CIF Rotterdam. ♣ Bullion market close. m-Malaysian cents/kg.

SUGAR – London FOX ($ per tonne)

Raw	Close	Previous	High/Low
Dec	186.00	184.00	186.00 184.00
Mar	189.40	191.00	192.00 189.60
May	187.60	189.20	189.00 187.00
Aug	191.60	193.20	189.00
White	**Close**	**Previous**	**High/Low**
Dec	286.0	283.0	286.0 283.1
Mar	285.0	283.8	285.5 283.5
May	283.0	281.8	282.6 281.5
Aug	282.9	281.8	282.6 281.1
Oct	282.9	282.3	282.8 281.1
Dec	281.7	283.3	282.0 281.3

Turnover: Raw 412 (1077) lots of 50 tonnes. White 1990 (2316)
Paris- White (FFr per tonne): Dec 1620.50,Mar 1638.41.

CRUDE OIL – IPE $/barrel

	Close	Previous	High/Low
Nov	21.15	20.98	21.16 20.79
Dec	20.97	20.84	21.00 20.65
Jan	20.75	20.66	20.75 20.50
Feb	20.55	20.40	20.55
Apr	20.10		20.10
May	19.90		19.93
IPE index	20.95	21.09	

Turnover 20137 (15775)

GAS OIL – IPE $/tonne

	Close	Previous	High/Low
Oct	203.50	201.25	204.00 200.00
Nov	205.25	203.25	205.25 202.00
Dec	206.25	204.75	206.25 203.50
Jan	204.00	203.00	204.50 201.50
Feb	199.00	198.25	199.00 197.50
Mar	190.75	191.00	191.50 190.00
Apr	185.00	185.00	185.25 184.50
May	180.00		180.50 179.00
Jun	178.25	177.00	179.50 177.00

Turnover 11598 (11960) lots of 100 tonnes

WOOL
The selling week in Australia opened with another sharp decline in the Australian Wool Corporations market indicator taking it down to 460 cents. It has slipped further to 446 since then, reduced Japanese buying was a factor. Finer merinos were again most affected but other categories also eased. Soviet buying has tailed off and much has to happen on the financial side before significant demand develops from that area again. The improvement in demand elsewhere in the world, after the floor price ended, is also associated with some recovery from recession.

COCOA – London FOX £/tonne

	Close	Previous	High/Low
Dec	748	746	762 734
Mar	786	783	790 771
May	809	804	811 794
Jul	832	827	819 815
Sep	850	846	852 836
Dec	874	870	871 862
Mar	898		885

Turnover: 5999 (2145) lots of 10 tonnes
ICCO indicator prices (SDRs per tonne). Daily price for Oct.1 947.13 (949.73) 10 day average for Oct.2 951.60 (951.86)

COFFEE – London FOX £/tonne

	Close	Previous	High/Low
Nov	488	486	488 482
Jan	511	509	511 506
Mar	530	527	531 525

Turnover: 1535 (4409) lots of 5 tonnes
ICO indicator prices (US cents per pound) for Oct.2 : Comp. daily 61.41 (62.12) 15 day average 66.26 (66.78)

POTATOES – London FOX £/tonne

	Close	Previous	High/Low
Apr	127.9	126.3	128.0 125.5

Turnover 178 (133) lots of 20 tonnes.

SOYAMEAL – London FOX £/tonne

	Close	Previous	High/Low
Dec	136.00	137.00	136.00

Turnover 25 (71) lots of 20 tonnes.

FREIGHT – London FOX $10/index point

	Close	Previous	High/Low
Oct	1659	1670	1675 1650
Nov	1716	1708	1720 1718
Dec	1718	1708	1721 1715
Jan	1721	1730	1735 1725
Jul	1500	1505	1508 1500
BFI	1542	1526	1542

Turnover 154 (199)

GRAINS – London FOX £/tonne

Wheat	Close	Previous	High/Low
Nov	117.25	117.60	117.95 117.25
Jan	121.05	121.10	121.35 121.05
May	123.90		124.00 123.95
May	126.90	126.90	127.25 126.90
Jun	128.40		128.50
Barley	**Close**	**Previous**	**High/Low**
Nov	113.15	113.20	113.35 113.00
Jan	117.10	117.15	117.25 117.10
Mar	119.95		119.95 119.90
May	121.70		121.70

Turnover: Wheat 285 (52), Barley 105 (33).
Turnover lots of 100 tonnes.

PIGS – London FOX (Cash Settlement) p/kg

	Close	Previous	High/Low
Nov	105.5	105.5	105.5
May	106.0	106.5	107.0
Jun	106.0	106.5	107.0

Turnover:55 (17) lots of 3,250 kg

[illegible] – London FOX

	Close	Prev.	High	Low	Vol
Index	133.97	133.12			

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open interest
Aluminium, 99.7% purity ($ per tonne)						Total daily turnover 20,169 lots
Cash	1141-42	1142.5-3.5		1145-46		
3 months	1170-71	1172-73	1176/1167	1175.5-6.0	1168-69	112,862 lots
Copper, Grade A (£ per tonne)						Total daily turnover 24,054 lots
Cash	1328-9	1324-25	1334/1324	1334-5		
3 months	1326-7	1329-30	1337/1325	1335-6	1328-29	110,630 lots
Lead (£ per tonne)						Total daily turnover 1,723 lots
Cash	307-7.5	308-07		307-8		
3 months	316-6.5	315.5-16	318/315	316.5-7.0	317-8	12,832 lots
Nickel ($ per tonne)						Total daily turnover 2,767 lots
Cash	7520-40	7550-75	7575/7570	7570-75		
3 months	7560-75	7580-90	7610/7580	7605-15	7560-70	16,674 lots
Tin ($ per tonne)						Total daily turnover 1,017 lots
Cash	5590-65	5575-80	5582/5550	5552-3		
3 months	5615-20	5630-40	5630/5615	5620-35	5610-15	5,724 lots
Zinc, Special High Grade ($ per tonne)						Total daily turnover 4,353 lots
Cash	991-3	999-1000	998	997-8		
3 months	1011-12	1018-19	1019/1010	1016-17	1012-3	27,853 lots

LME Closing £/$ rate:
SPOT: 1.7460 3 months: 1.7310 6 months: 1.7190 9 months: 1.7022

LONDON BULLION MARKET
(Prices supplied by N.M.Rothschild)

Gold (fine oz)	$ price	£ equivalent
Close	355.10-355.60	
Opening	353.10-353.50	
Morning fix	354.50	202.422
Afternoon fix	356.00	203.057
Day's high	357.20-357.50	
Day's low	353.00-353.30	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	5.00	6 months	4.86
2 months	4.96	12 months	4.78
3 months	4.92		

Silver fix	p/fine oz	US cts equiv
Spot	240.50	421.60
3 months	246.65	427.30
6 months	252.65	433.10
12 months	264.85	445.65

GOLD COINS
(Prices supplied by Engelhard Metals)

	$ price	£ equivalent
Krugerrand	356.00-357.00	203.00-203.50
Maple leaf	366.00-367.00	208.75-209.25
New Sovereign	87.00-88.00	49.50-50.00

TRADED OPTIONS

Aluminium (99.7%)	Calls		Puts	
Strike price $ tonne	Oct	Dec	Oct	Dec
1050	117	149	3	8
1250	42	77	26	32
1350	8	32	91	84
Copper (Grade A)	**Calls**		**Puts**	
2200	130	125	21	58
2300	67	75	57	108
2400	29	41	117	170
Coffee	**Nov**	**Jan**	**Nov**	**Jan**
450	38	65		5
500	4	30	18	20
550		11	62	51
Cocoa	**Dec**	**Mar**	**Dec**	**Mar**
775	23	60	51	50
800	16	51	69	66
825	11	42	89	82
Brent Crude	**Nov**	**Dec**	**Nov**	**Dec**
2000	38	24	1	18
2050	[illegible]	[illegible]	4	32
2100	19	44	32	89

New York

GOLD 100 troy oz.; $/troy oz.

	Close	Previous	High/Low	
Oct	355.6	354.2	357.5	356.6
Nov	356.9	355.6	0	0
Dec	358.6	357.3	360.6	357.7
Feb	361.5	360.2	363.9	361.1
Apr	364.3	363.0	365.7	363.8
Jun	367.2	3365.9	367.8	367.5
Aug	370.2	368.9	0	0
Oct	373.2	371.9	0	0
Dec	376.2	375.0	0	0

PLATINUM 50 troy oz; $/troy oz.

	Close	Previous	High/Low	
Oct	355.5	355.9	360.0	355.5
Jan	358.9	359.5	363.5	358.6
Apr	362.6	363.3	367.0	363.3
Jul	368.3	367.0	369.0	367.0
Oct	373.6	374.3	380.0	380.0

SILVER 5,000 troy oz; cents/troy oz.

	Close	Previous	High/Low	
Oct	414.2	415.6	416.0	416.0
Nov	416.0	417.4	0	0
Dec	418.3	419.6	420.0	416.0
Jan	420.5	422.0	0	0
Mar	425.0	426.5	432.5	424.5
May	429.4	430.9	434.0	431.0
Jul	433.6	435.2	436.5	435.0
Sep	438.1	439.6	0	0
Dec	444.9	446.9	451.0	450.0
Jan	447.6	449.5	0	0

HIGH GRADE COPPER 25,000 lbs; cents/lbs

	Close	Previous	High/Low	
Oct	107.45	106.00	108.65	107.35
Nov	105.85	106.35	106.90	105.85
Dec	104.45	105.00	105.50	104.25
Jan	103.45	103.90	0	0
Feb	102.80	103.20	0	0
Mar	102.15	102.50	102.90	102.05
Apr	101.60	101.95	0	0
May	101.05	101.40	101.60	101.00
Jun	100.60	100.90	0	0
Jul	100.15	100.45	100.50	100.50

COTTON 50,000; cents/lbs

	Close	Previous	High/Low	
Oct	64.50	67.23	63.80	63.50
Dec	65.01	67.90	65.40	64.85
Mar	66.95	68.85	67.00	66.95
May	67.14	68.69	67.45	67.10
Jul	67.89	69.30	68.00	67.85
Oct	65.97	67.50	0	0

CRUDE OIL (Light) 42,000 US galls $/barrel

	Close	Previous	High/Low	
Nov	22.33	22.22	22.40	22.05
Dec	22.24	22.13	22.31	21.96
Jan	22.09	21.98	22.14	21.84
Feb	21.90	21.80	21.95	21.67
Mar	21.70	21.61	21.75	21.50
Apr	21.50	21.42	21.54	21.35
May	21.33	21.25	21.37	21.15
Jun	21.20	21.12	21.25	21.15
Jul	21.09	21.01	21.12	21.07
Aug	21.01	20.93	0	0

HEATING OIL 42,000 US galls. cents/US galls

	Close	Previous	High/Low	
Nov	6480	6421	6475	6370
Dec	6590	6545	6600	6490
Jan	6614	6585	6625	6535
Feb	6486	6454	6495	6400
Mar	6211	6174	6200	6140
Apr	5961	5929	5910	5900
May	5796	5769	5755	5755
Jun	5668	5664	0	0
Jul	5641	5624	5650	5620
Aug	5701	5684	0	0

COCOA 10 tonnes;$/tonnes

	Close	Previous	High/Low	
Dec	1222	1210	1240	1191
Mar	1276	1263	1293	1248
May	1310	1298	1320	1285
Jul	1333	1322	1345	1320
Sep	1356	1348	1369	1338
Dec	1398	1388	1405	1400
Mar	1433	1423	0	0
May	1458	1448	1435	1435
Jul	1483	1473	0	0
Sep	1500	0	0	0

COFFEE "C" 37,500lbs; cents/lbs

	Close	Previous	High/Low	
Dec	81.05	81.20	82.00	80.50
Mar	84.40	84.60	85.60	84.10
May	86.90	87.05	87.75	86.70
Jul	89.55	89.50	89.80	89.20
Sep	92.05	91.50	92.30	91.55
Dec	94.75	95.50	95.00	94.65
Mar	96.25	96.00	0	0

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Close	Previous	High/Low	
Mar	8.85	8.89	8.96	8.79
May	8.74	8.78	8.84	8.70
Jul	8.72	8.73	8.81	8.67
Oct	8.65	8.68	8.73	8.62
Mar	8.53	8.58	0	0

ORANGE JUICE 15,000 lbs; cents/lbs

	Close	Previous	High/Low	
Nov	124.75	122.05	124.80	122.00
Jan	124.60	121.70	124.75	121.75
Mar	125.00	122.55	125.00	122.95
May	126.10	123.55	0	0
Jul	126.10	123.55	126.00	125.00
Sep	126.10	123.55	0	0
Nov	126.10	123.55	0	0
Jan	126.10	123.55	0	0
Mar	124.60	123.55	0	0

INDICES

REUTERS (Base: September 18 1931 = 100)

Oct 2	Oct 1	mnth ago	yr ago
1612.8	1627.1	1660.3	1767.2

DOW JONES (Base: Dec. 31 1974 = 100)

	Oct 1	Sept 30	mnth ago	yr ago
Spot	116.94	116.20	116.82	128.64
Futures	123.42	123.05	122.23	130.50

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel

	Close	Previous	High/Low	
Nov	588/2	586/4	591/6	586/0
Jan	599/0	599/2	603/0	598/0
Mar	610/2	610/0	613/4	608/2
May	618/6	617/4	621/0	616/4
Jul	624/2	622/6	626/0	622/0
Aug	621/0	620/4	622/0	620/0
Sep	600/2	595/4	601/0	599/4
Nov	593/2	586/6	593/4	588/0

SOYABEAN OIL 60,000 lbs; cents/lb

	Close	Previous	High/Low	
Oct	20.28	19.92	20.30	20.10
Dec	20.58	20.25	20.70	20.45
Jan	20.76	20.44	20.86	20.62
Mar	21.08	20.76	21.20	20.97
May	21.38	21.05	21.48	21.30
Jul	21.60	21.39	21.70	21.59
Aug	21.70	21.48	0	0
Sep	21.80	21.65	21.80	21.80
Oct	21.80	21.45	21.85	21.75
Dec	21.95	21.75	21.95	21.90

SOYABEAN MEAL 100 tons; $/ton

	Close	Previous	High/Low	
Oct	191.9	193.6	194.0	191.0
Dec	189.9	191.8	191.8	189.2
Jan	188.5	190.4	190.4	188.0
Mar	187.2	188.4	189.0	186.7
May	184.9	185.3	186.1	184.5
Jul	184.1	184.0	185.5	183.7
Aug	183.0	182.2	184.5	183.0
Sep	181.5	179.5	181.5	180.0
Oct	191.5	191.5	192.0	191.5
Dec	192.4	192.5	192.4	191.0

MAIZE 5,000 bu min; cents/56lb bushel

	Close	Previous	High/Low	
Dec	253/6	254/6	255/4	253/2
Mar	261/6	262/4	263/2	261/2
May	267/0	267/6	268/4	266/6
Jul	269/6	270/0	270/6	269/4
Sep	258/2	259/0	259/6	258/0
Dec	254/0	254/0	255/0	253/4
Mar	261/0	261/0	0	0

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	Previous	High/Low	
Dec	341/4	339/6	341/4	337/4
Mar	344/4	343/4	345/2	341/4
May	339/0	338/6	339/2	336/0
Jul	328/2	323/6	328/4	323/0
Sep	332/6	331/0	0	0
Dec	343/6	341/4	0	0

LIVE CATTLE 40,000 lbs; cents/lbs

	Close	Previous	High/Low	
Oct	73.77	74.30	74.00	73.65
Dec	76.37	76.60	76.42	76.10
Feb	74.32	74.40	74.40	74.10
Apr	75.12	75.17	75.20	74.92
Jun	72.45	72.55	72.45	72.25
Aug	70.65	70.70	70.90	70.65
Oct	72.00	72.10	0	72.00

LIVE HOGS 30,000 lb; cents/lbs

	Close	Previous	High/Low	
Oct	45.40	45.92	45.80	45.20
Dec	44.22	44.75	44.65	44.15
Feb	43.67	43.87	43.75	43.43
Apr	41.75	41.75	41.90	41.46
Jun	46.42	46.45	46.50	46.30
Jul	46.52	46.57	46.55	46.30
Aug	44.92	44.92	44.92	44.70
Oct	41.37	41.42	41.45	41.37

PORK BELLIES 40,000 lbs; cents/lb

	Close	Previous	High/Low	
Feb	45.15	45.75	45.80	44.82
Mar	44.95	45.57	45.20	44.82
May	45.87	45.80	46.25	45.70
Jul	46.30	46.85	46.95	46.30
Aug	44.32	44.80	44.78	44.30

LONDON STOCK EXCHANGE

BT dominates nervous equity market

By Terry Byland, UK Stock Market Editor

SECOND thoughts on the UK government's decision to leave the next general election date in abeyance left the UK equity market looking less certain yesterday. Share prices moved around overnight levels, with leading indices often reflecting investment interest in no more than a few leading blue chip issues.

Once again, trading was dominated by heavy turnover in BT (24m shares) and British Gas (more than 7m). Overall Seaq-reported volume totalled 548.8m shares, compared with 618.4m on Tuesday.

With a sharp rise in BT worth about 3¼ points on the Footsie, traders were inclined to discount the index itself, which closed 1.4 down on the day at 2,644.2.

Equities opened uncertainly but the Footsie Index was quickly boosted by an initial gain in British Aerospace as market hints of a bid for the troubled company were fuelled by a report in the Financial Times that a group of UK institutions is planning a break-up of the aerospace/defence interests. The shares closed well below the day's peak, however.

At best the market was a mere 4.3 up on the Footsie scale and support faded as the 2,650 mark was challenged. With institutional interest clearly on the wane outside of the privatisation favourites, share prices relinquished some of the gains achieved on the previous day.

Selling pressure, however, was very slight and the market soon bottomed out in the 2,640 area. London steadied hopefully as first indications on Wall Street's opening were borne out by an early rise of eight points on the Dow Jones Industrial Average.

Price movements across the broad range of the market were small and irregular. Among the consumer stocks, Cadbury Schweppes drifted lower as bid hopes faded, and Allied-Lyons, which has also been boosted recently by takeover speculation, turned easier.

Gains in some other leading retailers, such as Marks and Spencer, the high street group, and GUS, the mail order company, were very small and reflected little more than price adjustments on the back of buying enquiries.

Minor losses among the international export leaders reflected uncertainty about the US dollar, the currency in which most of their overseas sales are priced. BAT Industries continued to suffer the adverse effects of developments at Eagle Star, while the ICI share price again eased as hopes of an all-out bid from the Hanson camp dwindled.

Asda, the food supermarket chain, once more recorded hefty turnover, 9.1m shares, as investors continued to mull over the implications of the rights issue call and persistent hints that an overseas bid may be pending.

Equity strategists continued to take the view that, in the near term at least, the UK stock market is "stuck in a trading range", as Kleinwort Benson phrased it.

Kleinwort's strategy team remains confident that the Footsie will reach 3,000 next year, commenting that the dollar has yet to reflect the upward turn in the US economy and that many London stocks with dollar-based earnings are still attractive.

On the UK side of the market equation, Kleinwort points to declining inflation, base rate reductions, increasing signs of economic recovery and receding fears of higher German interest rates.

Account Dealing Dates

*First Dealings:		
Sep 16	Sep 30	Oct 14
Option Declarations:		
Sep 26	Oct 10	Oct 24
Last Dealings:		
Sep 27	Oct 11	Oct 25
Account Day:		
Oct 7	Oct 21	Nov 4

*New-time dealings may take place from 8.30 am two business days earlier.

Switch in energy stocks

EVIDENCE of an exceptionally large single trade in British Gas late on Tuesday, possibly part of a substantial switching operation involving Shell, was said to have been just one of many reasons behind a powerful performance by British Gas.

The shares, strong in recent days, settled 5¼ higher at 294½p, having touched a record 295p in mid-session. Shell receded 6 to 502p.

The Seaq system's overnight ticker revealed the two big individual trades, involving 7m Gas, traded at 289p, and 4m Shell. Apart from the link provided by the overnight ticker, there were other factors behind the keen support for Gas. BZW acknowledged that it had been a strong supporter of the shares. The broker mentioned the possibility that Gas could decide to buy in some of its shares, a move Gas shareholders approved last year.

Other energy specialists pointed out, however, that if Gas bought in the maximum number of shares allowed, the move would cost £4.5bn and increase gearing to above 70 per cent.

BAe active

British Aerospace (BAe) was marked sharply higher early in the session, adding 25 at 435p after a report in the Financial Times that a group of UK financial institutions was discussing with a consortium of Continental defence companies the prospects of arranging a break-up bid for BAe.

Also suggested was the possibility of a counter-offer from GEC, the UK defence group, although the market discounted this – a view later reinforced by an announcement from GEC that there had been no negotiations between itself and BAe. GEC closed unchanged at 199p.

The BAe share price retreated from the early gain to close a mere 6 up at 416p after turnover of 3.3m. Deutsche Aerospace, the aerospace arm of Daimler-Benz, also denied it was in talks about a BAe break-up bid.

Insurers busy

The insurance sector was buzzing with speculation that Sun Alliance may be about to place its 14.6 per cent stake in Commercial Union. The latter eased 5 to 500p. However, the rise in Sun Alliance shares, up 8 to 348p on turnover of 2.2m, owed much to a recommendation from Robert Fleming, the stockbroker. Fleming told clients to switch out of Prudential into Sun Alliance. Prudential shares reflected the switch operations, closing 4 off at 249p on a hefty 5.3m traded.

Fleming said Prudential would suffer from the implications of recent expansion by financial institutions into the life assurance market. It instanced last week's purchase by Abbey National of Scottish Mutual, and NatWest Bank's new life assurance venture with Clerical Medical.

The broker has moved to a buy stance on Sun Alliance for the first time in 12 months because the stock had moved to a 20 per cent yield premium to the FT-A All-Share index, traditionally a level which triggers strong support for the shares.

More big UK and overseas buying of BT shares drove the stock up to yet another record, 424p, before persistent bouts of profit-taking left it a net 8½ ahead at 421½p. Turnover came out at 24m shares. Cable and Wireless, mirroring the strong advance in BT, climbed 12 to 584p.

Ratners, the troubled jewellery retailer, came under intense pressure, the shares retreating 11 to 104p after a US credit rating agency downgraded the UK group's debt rating.

More heavy activity in Asda saw the food retailer's shares move up 3 to 50½p on turnover of 9.1m, amid hints that the long-hoped for takeover may be about to materialise.

Higgs & Hill dropped 22 to 201p after a 70 per cent slump in interim profits.

International blue chips hardly established a trend yesterday, and share prices largely ignored the modest improvement in the sterling exchange rate index. Tremors in the pharmaceutical sector caused by the banning of UK sales of Halcion, the world's best selling sleeping drug manufactured by Upjohn, of the US, were reflected in modest gains in some of its pharmaceutical rivals' share prices.

Glaxo put on 8 to 1395p and SmithKline Beecham, at 759p, was up a penny. Fisons, 469p, added 3 on brisk turnover of 2.6m shares. ICI slipped 11 to 1327p but turnover was relatively light.

Weeks of marked underperformance by Ultramar against the oil sector and the wider market came to a halt yesterday as the stock rallied to close 14 to the good at 249p. Turnover was a higher than usual 3.5m. The underperformance of the shares led to the indignity of the company being dropped from the prestigious FT-SE 100 Index last week.

The Ultramar rise came as buyers chased the shares ahead of a visit by leading oil sector analysts to the group's Wilmington oil refinery on America's West Coast in two weeks' time.

Another story behind the advance was a suggestion that Unocal, the US energy concern, had signed a letter of intent to purchase a stake in the refinery. Hints that another West Coast refinery is about to close and a tightening of the West Coast market were also bull points for the shares, it was said.

Textiles and computer software group Lamont Holdings lost 3 to 377p. The company reported a fall in interim profits and the chairman signalled that there would be no upturn in trading until the spring.

Garment retailer Alexon, which announced flat half-year profits on Tuesday, dropped 17 to 423p.

Buyers were drawn to Inchcape, which put on 8 to 394p as some marketmakers found themselves short of stock.

Profit-taking in ECC, following a strong run and comforting results recently, knocked 11 off the shares to 463p.

Chemicals and building products company Yule Catto picked up 12 to 208p, helped by a buy recommendation earlier this week from Kleinwort Benson.

Chemicals group Hickson International eased 5 to 191p and the nil-paid also lost 5, to 33p, after the stock going ex-rights on Tuesday.

Rolls-Royce retreated 6½ to 144p as turnover rose to 6.1m shares after All Nippon Airways, of Japan, announced it had chosen engines made by Rolls-Royce rival Pratt & Whitney, part of United Technologies, of the US, to power its fleet of 25 Boeing 777 aircraft.

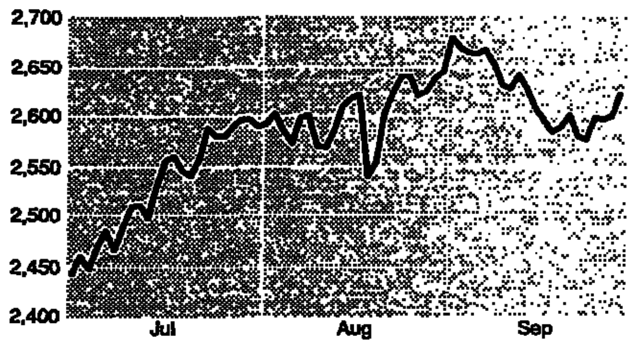
Reg Vardy gained 19 to 148p after a placing by the company's new broker, BZW, of around 11m shares in a one-for-three at 120p deal.

Forte drifted lower ahead of today's results, giving up 2 to 263p. P&O firmed 4 to 520p after 13m shares, the rump of the recent rights issue, was placed at 505p a share by S.G. Warburg and Panmure Gordon. Profit-taking weakened Airtours by 22 to 773p.

MARKET REPORTERS:
Peter John,
Joel Kibazo,
Steve Thompson.

■ Other market statistics, including the FT-Actuaries Share Indices and London Traded Options, Page 23.

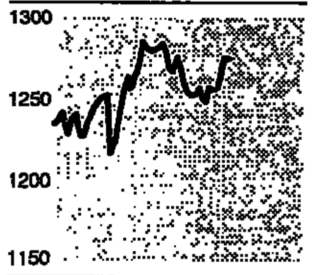
FT-SE 100 Index



Source: Datastream

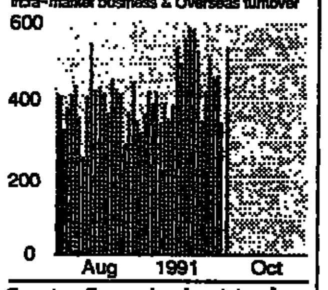
The FT-SE Index, having gained around 4.9 per cent over the third quarter, has shown further confidence as the market has moved into the final quarter of the year. Optimism over prospects for economic recovery has been the driving force behind the Footsie, which established its record peak of 2,679.6 on September 2.

FT-A All-Share Index



Equity Shares Traded

Turnover by volume (million)
Excluding:
Intra-market business & Overseas turnover



NEW HIGHS AND LOWS FOR 1991

NEW HIGHS (117).

BRITISH FUNDS (1) Tr. 2pc IL 1992, **AMERICANS** (1) Morgan (JP), **BANKS** (1) Bank of Scot. 9¼pc Prf., **BUILDINGS** (3) Boot (H), Polypipe, Raine, **CHEMICALS** (2) Blagden, Yule Catto, **STORES** (8) Cramphorn, Hogg Robinson, Liberty, Martin (A), Panfinda, Pentos, Ritz Design, Shani, Wyevale Garden Centres, **ELECTRICALS** (11) Blick, Brit. Telecom, Cambridge, Eurotherm, Harland Simon, MTL Instruments, Macro 4, Pressac, Racal Elects., Radamec, Thorpe (FW), **ELECTRICITY** (6) London, Manweb, Northern, Norweb, Seeboard, South Wales, **ENGINEERING** (7) Adwest, Ash & Lacy, Bullough, Johnson & Firth, Meggitt, Triplex Lloyd, Victaulic, **FOODS** (5) Cadbury Schw., Dalepak, Geest, Park, Utd. Biscuits, **INDUSTRIALS** (24) AAH, AIM, BSS, Bespak, Bibby (J), Bodycote, Brit. Polythene 7½pc Prf., Caplin, Darby, Dolphin Pckg., Glaxo, Halma, IWP, Lincat, ML Labs., Pentland, Portmeirion Potteries, RCO, Reliance Security, Security Archives, Seton Healthcare, Sketchley, UDO, Vinten, **INSURANCE** (3) Domestic & Gen., Hogg, Lloyd Thompson, **LEISURE** (3) Capital Radio, Central ITV, Hi-Tec Sports, **MOTORS** (2) Central Motor Auctions, Vardy (Reg), **NEWSPAPERS** (4) Blenheim, Headline Book, Johnston Press, News Intl. Special Div., **PAPERS** (4) Abbott Mead Vickers, CIA, Stat-Plus, Waddington (J), **TEXTILES** (4) Claremont Garments, Ingham, Lamont, Leeds, **TRANSPORT** (4) Air London, BAA, Norex, Tiphook, **TRUSTS** (19) Aberforth Smllr. Cos., Aberforth Split Level Inc., City of Oxford Zero Prf., Drayton Blue Chip Zero Prf., Dunedin Worldwide, Flmg. Claverhouse, Flmg. Fledgeling, General Cons. Stppd Prf., JF Fldg. Japan, JF Pacific Wrrnts., London Atlantic, M & G Cap., Mercury Asset Management, SPRAIT, Scottish Natl. Stppd. Prf., TR City of London Dfd., TR Smllr. Cos., TR Technology Zero Prf., Templeton Emrg. Mkts., **OILS** (3) Brit. Gas, Utd. Energy Wrrnts., Woodside, **MINES** (1) Metana Minerals.

NEW LOWS (16).

BANKS (2) First Natl. Finance, Wintrust, **BUILDINGS** (4) Graham Wood, Hewetson, Higgs & Hill, Steetley, **STORES** (1) Ratners, **ENGINEERING** (2) Beauford, Farrum, **INDUSTRIALS** (2) Co. of Designers, Hedleigh, Pilkington, **LEISURE** (1) Quadrant, **PROPERTY** (2) Capital & Regional, Mountleigh, **SHOES** (1) Stylo.

FINANCIAL TIMES STOCK INDICES

	Oct 2	Oct 1	Sept 30	Sept 27	Sept 26	Year Ago	1991 High	1991 Low	Since Compilation High	Since Compilation Low
Government Secs	87.48	87.56	87.44	87.28	87.32	78.45	87.94 (18/9)	82.17 (2/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	97.17	96.93‡	96.93‡	96.84	97.00	86.49	97.17 (2/10)	90.59 (2/1)	105.4 (28/11/47)	50.53 (3/1/75)
Ordinary Share●	2037.9	2035.9	2021.6	2018.9	2025.2	1619.0	2108.3 (2/9)	1606.3 (16/1)	2108.3 (2/9/91)	49.4 (26/6/40)
Gold Mines	157.2	158.9	155.6	158.1	163.1	184.3	222.8 (11/7)	127.0 (22/2)	734.7 (15/2/83)	43.5 (26/10/71)
FT-SE 100 Share	2644.2	2645.6	2621.7	2599.0	2595.6	2087.0	2679.6 (2/9)	2054.8 (16/1)	2679.6 (2/9/91)	986.9 (23/7/84)
FT-SE Eurotrack 200	1176.20	1178.95	1171.82	1169.39	1169.39	-	1198.60 (3/9)	938.62 (16/1)	1198.60 (3/9/91)	938.62 (16/1/91)
●Ord. Div. Yield	4.61	4.61	4.64	4.68	4.69	5.87				
●Earning Yld %(full)	7.39	7.38	7.44	7.50	7.52	12.31				
●P/E Ratio(Net)(☆)	16.87	16.89	16.76	16.63	16.59	9.85				
SEAQ Bargns 4.45pm	30,807	29,897	26,640	34,672	29,428	17,845				
Equity Turnover(£m)†	-	1201.86	714.64	1008.94	1116.87	815.16				
Equity Bargains†	-	28,963	27,266	34,823	30,411	16,639				
Shares Traded (ml)†	-	534.8	336.0	458.3	452.8	322.1				

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold mines 12/9/55. Basis 1000 FT-SE 100 31/12/83 & FT-SE Eurotrack 200 26/10/90. ‡ Corrected ☆ Nil 16.03

Ordinary Share Index, Hourly changes Day's High 2042.6 Day's Low 2029.8

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
2036.0	2030.0	2039.9	2036.9	2036.8	2035.8	2036.7	2034.7	2037.0

FT-SE 100, Hourly changes Day's High 2649.9 Day's Low 2638.8

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
2646.1	2638.9	2648.3	2644.2	2642.9	2641.1	2641.1	2640.2	2643.7

FT-SE Eurotrack 200, Hourly changes Day's High 1179.31 Day's Low 1175.96

Open	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
1177.20	1177.16	1177.01	1177.06	1177.18	1177.04	1177.24

GILT EDGED ACTIVITY

Indices*	Oct 1	Sept 30
Gilt Edged Bargains	98.9	78.2
5 – Day average	88.5	84.6

*SE Activity 1974.
†Excluding intra-market business & Overseas turnover.

London report and latest Share index:
Tel. 0898 123001

TRADING VOLUME IN MAJOR STOCKS

	Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change
ADT	358	506	+14	Cookson	795	126	−1½	Lucas	1,700	140		Severn Trent Water	3,000	350	+11
ASDA Group	8,600	50½	+3½	Courtaulds	602	479	−1	MB Caradon	5,000	282		Shell Transport	1,300	502	−6
Abbey National	2,600	305	−3	Dalgety	159	417		MEPC	273	500	−4	Siebe	247	547	+1
Albert Fisher	1,000	107	−1	De La Rue	71	454	−1	Manweb	132	277	+3	Slough Ests	645	275	+8
Allied-Lyons	1,200	625	−3	Dixons	4,000	246	+3	Marks & Spencer	1,700	279	+1	Smith (W.H.) A	1,100	443	+7
Amstrad	4,700	49	+2	ECC Group	41	463	−11	Maxwell Comms.	711	158	−1½	Smith & Nephew	1,200	130	−2
Anglian Water	592	401	+2	Eastern Elect.	826	191½	+4	Midland Bank	1,300	247	−6	SmKl Beecham	2,100	759	+1½
Argos	289	308	−2	East Midland Elect.	1,500	219	+4	Midlands Elect.	324	221	+5	SmKl Beecham Uts.	226	3320	−5
Argyll Group	2,800	293	+1	Enterprise Oil	870	313	+3	NFC	88	218	−1	Smiths Inds.	198	287	−3
Arjo Wiggins	2,400	282		Eurotunnel Units	520	632	−1	NatWest Bank	3,800	348	−6	Southern Elect.	377	219	+6
Ass. Brit. Foods	403	495	+3	FKI	1,600	78		National Power	3,800	163	+1	South Wales Elect.	57	296	+4
BAA	908	488	+4	Ferranti	178	8½		Next	1,800	44	+1½	South West Water	1,400	365	−7
BAT Inds.	1,700	670	−5	Fisons	2,600	469	+3	North West Water	1,800	368	+5	South West. Elect.	55	219	+5
BET	848	227	−3	Forte	2,900	263	−2	Northern Elect.	562	224	+8	Southern Water	861	346	
BICC	490	420	−3	Gen. Accident	1,100	548	+4	Northern Foods	416	547		Standard Chartd.	1,100	374	−1
BOC	388	613	−6	General Elect.	5,900	199		Norweb	1,000	240	+7	Storehouse	3,100	106	−3
BPB Inds.	494	190	+6	Glaxo	843	1395	+7½	Pearson	193	776	−8	Sun Alliance	2,200	348	+8
BTR	1,900	421	−3	Glynwed Int.	108	244	−3	P & O	2,300	524	+4	T&N	673	164	+3
Bank of Scotland	1,700	123	−2	Granada	1,700	162	−3	Pilkington	3,700	148	−1	TI Group	3,300	624	−10
Barclays	2,500	465	−3	Grand Met.	2,200	840	+8	PowerGen	2,400	178	+3	TSB	2,000	148	−2
Bass	846	1029		GUS A	226	1368	+8	Prudential	5,300	249	−4	Tarmac	837	189	
Beazer	1,600	117		GRE	2,000	180	−1	RHM	2,000	273	−2	Tate & Lyle	808	408	+6
Berisford Int.	749	32	−1½	GKN	782	375	+2	RMC	157	624	−4	Taylor Woodrow	322	193	−4
Blue Circle	404	267	−3	Guinness	295	1000	−3	RTZ	771	575	−4	Tesco	2,300	280	+4
Booker	84	484	+3	Hammerson 'A'	86	621	+1	Racal	6,800	58½		Thames Water	3,000	389	+6
Boots	2,100	420	−6	Hanson	2,400	229	−1	Rank Org.	188	691	−2	Thorn EMI	180	797	−7
Bowater	198	698	+3	Hanson Warrants	245	28¼	−1	Reckitt & Colman	350	693	−2	Tomkins	665	414	+4
Brit. Aerospace	3,400	416	+6	Harrisons Crosfield	114	158	−2	Redland	582	548	−3	Trafalgar House	2,000	244	+2
British Airways	1,600	160½	+1	Hawker Sidd.	210	753	+2	Reed Intl.	1,000	468	−7	Ultramar	3,700	249	+14
British Gas	7,200	294½	+5½	Hillsdown	401	216	−1	Rentokil	12	376	−1	Unigate	257	318	
British Land	226	313	−5	IMI	462	255	+1	Reuters	863	955	+3	Unilever	1,800	797	+2
BP	5,600	335	−6	ICI	771	1327	−10	Rolls Royce	6,100	144	−6½	United Biscuits	1,100	418	+2
British Steel	4,500	130½	−1½	Inchcape	3,200	394	+8	Rothmans	555	1151	−25	Utd. Newspapers	639	403	−7
British Telecom	24,000	421½	+8½	Kingfisher	1,700	558	−4	Ryl Bk Scotland	4,300	183		Vodafone	3,100	381	+1
Bunzl	2,000	100	+3	Ladbroke	960	259		Royal Insurance	261	363	−2	Wellcome	356	750	−4
Burmah Castrol	161	575	+2	Land Securities	1,400	543	−1	Saatchi	7,000	15¼	−¼	Welsh Water	1,700	388	+12
Burton	1,900	44		Laporte	368	597	+1	Sainsbury	1,400	362	+1	Wessex Water	617	419	−7
Cable & Wire.	2,800	584	+12	Legal & General	2,800	413	−7	Scottish & New.	1,700	418	−4	Whitbread 'A'	1,800	477	−2
Cadburys	1,500	434	−4	Lloyds Abbey	752	427	+2	Scot. Hydro-Elect.	3,500	117	+2	Williams Hldgs.	848	342½	+1½
Calor Group	672	240	+5	Lloyds Bank	4,000	404	+1	Scottish Power	3,400	114		Willis Corroon	1,500	310	+5
Carlton Comms.	144	520	−4	LASMO	1,300	304	+3	Sears	4,200	92½	−1½	Wimpey	17	185	−1
Coats Viyella	1,500	181	+2	London Elect.	285	228	+5	Sedgwick	1,100	268	+10	Yorkshire Elect.	931	249	+6
Comm. Union	529	500	−5	Lonrho	1,400	245	−2½	Seeboard	687	225	+6	Yorkshire Water	521	421	+5

Based on the trading volume for a selection of Alpha securities dealt through the SEAQ system yesterday until 4.30pm. Trades of one million or more are rounded down.

EQUITY FUTURES AND OPTIONS TRADING

DERIVATIVE markets had a lean day yesterday as they received no direction from a rudderless stock market and a weak Wall Street, writes Peter John.

On the Liffe, the December Footsie future contract's premium to the underlying index narrowed to 48 points in the morning as December drifted off 10 points from the previous day's close. Later it recovered to close 55 points above the index, against its estimated fair value of 42. However, at the official close less than 3,000 contracts had been traded.

The Traded Options Market was active in the morning when more than two-thirds of the day's turnover of 28,200 contracts was dealt. Bid speculation over Asda continued to prompt healthy trade and a block of 2,000 January 40 puts were bought at 4.

BT, which was very heavily traded in the underlying stock market, was the busiest stock option with 3,798 lots dealt. One house sold 1,000 February 390 calls at 42 and bought 500 November 420 calls at 14.

Shell, which was said to be the subject of a substantial share switch, saw unusually heavy trade with one dealer selling 600 of the January 500 puts at 15.

LONDON SHARE SERVICE

BRITISH FUNDS

1991 High	1991 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
		"Shorts" (Lives up to Five Years)				
100¼	99⅜	Exch. 11pc 1991	100 1/16xd		10.99	10.33
99⅜	96⅝	Treas. 8pc 1991	99⅜		8.04	10.08
101½	100⅛	Treas 12¾pc 1992‡‡	100¾		12.66	9.79
100¼	97⅞	Treas 10pc 1992	99⅞		10.01	9.86
133¼	125¼	Treas. 2pc IL 1992‡‡	133¼	+⅛	2.05	7.87
99⅜	95⅞	Treas. 8pc 1992‡‡	99¼xd		8.07	9.80
100⅞	98½	Treas 10½pc Cv 1992‡‡	100⅜xd		10.45	9.79
96⅝	91⅝	Treas. 3pc 1992	96⅝		3.10	8.00
102⅜	100⅝	Exch. 12¼pc '92	102⅛		12.00	9.65
104⅛	102⅜	Exch 13½pc 1992	103½		13.04	9.60
98⅞	94	Treas 8¼pc 1993	98⅜		8.39	9.55
100¼	97⅜	Treas 10pc 1993‡‡	100⅝xd		9.94	9.53
104⅜	102¼	Treas 12½pc 1993‡‡	104⅝		11.95	9.57
95	89⅝	Funding 6pc 1993‡‡	95		6.32	8.79
108⅜	105⅝	Treas 13¾pc 1993‡‡	107¾		12.76	9.61
97⅞	92⅞	Treas 8½pc 1994	97¾		8.70	9.54
111⅝	108⅜	Treas 14½pc 1994‡‡	110½		13.12	9.52
109	105⅞	Exch 13½pc 1994	108⅞xd		12.42	9.63
101⅛	96⅞	Treas. 10pc Ln. 1994‡‡	100⅞		9.91	9.55
107¼	103¼	Exch. 12¾pc 1994	107		11.68	9.65
98⅞	93¼	Treas 9pc 1994‡‡	98⅜		9.15	9.61
106⅞	102⅜	Treas 12pc 1995	106⅝		11.25	9.60
89	82¼	Exch 3pc Gas 90-95	88½xd		3.39	6.67
102⅜	96⅞	Exch. 10¼pc 1995	102⅛		10.04	9.59
110⅞	105⅜	Treas 12¾pc 1995‡‡	110¼		11.56	9.67
114⅜	109⅞	Treas. 14pc '96	114⅜		12.26	9.86
99⅜	92⅞	Treas. 9pc 1992-96‡‡	99⅜		9.07	9.21
119⅞	115⅞	Treas 15¼pc 1996‡‡	119⅜xd		12.75	9.87
112⅞	108	Exch 13¼pc 1996‡‡	112½		11.78	9.80
		Five to Fifteen Years				
101⅞	95⅞	Conversion 10pc 1996	101½		9.85	9.61
101⅞	97¼	Do. 10pc 1996 B	101½		10.11	9.62
114⅞	108⅜	Treas 13¼pc 1997‡‡	114		11.62	9.81
103⅞	97¼	Exch 10½pc 1997	103⅝		10.13	9.62
96⅞	89⅞	Treas 8¾pc 1997‡‡	96⅜		9.06	9.52
123⅛	117	Exch 15pc 1997	122⅞xd		12.21	9.91
100⅞	93⅞	Exch. 9¾pc 1998	100⅜		9.70	9.61
88⅝	80⅝	Treas 6¾pc 1995-98‡‡	88⅜xd		7.62	9.11
128⅞	121¼	Treas. 15½pc '98‡‡	128⅛		12.08	9.81
111⅞	104⅜	Exch. 12pc 1998	111⅝	−1/16	10.77	9.73
100⅞	92⅞	Treas 9½pc 1999‡‡	99⅞		9.51	9.50
113⅝	105⅞	Exch. 12¼pc 1999	113⅝		10.83	9.74
104⅞	97⅜	Treas. 10½pc 1999	104⅜		10.05	9.66
103⅝	95⅞	Conversion 10¼pc 1999	103⅜		9.93	9.67
97⅞	89⅝	Conversion 9pc 2000‡‡	97⅜	−1/16	9.25	9.47
118⅞	110½	Treas. 13pc 2000	118⅜	−1/16	10.99	9.82
103⅜	94⅜	Treas 10pc 2001	102⅞	−1/16	9.74	9.55
119⅞	113⅜	Treas. 14pc '98-01	119⅝	−1/16	11.73	9.91
101⅞	92⅞	Treas 9¾pc 2002	101⅝	−1/16	9.62	9.54

BRITISH FUNDS – Contd

1991 High	1991 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
104⅛	94⅜	Treas 10pc 2003	103⅞	−⅛	9.67	9.52
111	102	Treas. 11½pc 2001-04	110⅝xd	−⅛	10.40	9.76
62⅜	53⅜	Funding 3½pc '99-04	61⅞	−⅛	5.66	8.43
100⅞	90⅞	Conversion 9½pc 2004	100xd	−⅛	9.50	9.50
25⅜	24⅞	Conversion 9½pc 2004 A	25⅛	−⅛	9.49	9.50
100⅞	90⅞	Conversion 9½pc 2005	100⅛xd	−⅛	9.49	9.49
121⅜	111	Treas. 12½pc 2003-05	120⅞	−⅛	10.34	9.55
		Over Fifteen Years				
88⅞	79⅞	Treas. 8pc 2002-06‡‡	88⅛xd	−⅛	9.08	9.50
115⅞	105⅞	Treas. 11¾pc 2003-07	115	−⅛	10.22	9.54
93⅜	84⅜	Treas 8½pc 2007‡‡	92⅝	−⅛	9.18	9.41
129¾	118⅞	Treas. 13½pc '04-08	128½	−⅛	10.51	9.54
98	88⅞	Treas. 9pc 2008‡‡	97⅛xd	−⅛	9.27	9.35
89⅜	80	Treas 8pc 2009	88⅝	−3/16	9.05	9.35
97⅞	88⅜	Conv 9pc Ln 2011‡‡	96⅜	−3/16	9.29	9.35
98⅜	91⅞	Cnv. 9pc 2011 A	97	−¼	9.51	9.55
66	58⅜	Treas. 5½pc 2008-12‡‡	65⅜	−⅛	8.42	9.32
85⅞	76⅝	Treas. 7¾pc 2012-15‡‡	84⅝	−¼	9.14	9.38
125¼	113⅜	Exch. 12pc '13-'17	124⅜	−⅜	9.66	9.40
		Undated				
41¾	37⅞	Consols 4pc	41⅜	−⅛	9.68	-
37¾	33⅜	War Loan 3½pc‡‡	37	−⅛	9.46	-
60⅞	57¼	Conv. 3½pc '61 Aft.	60⅜	−⅛	5.80	-
30⅞	28¼	Treas. 3pc '66 Aft.	30⅜xd	−3/16	9.88	-
26⅜	23⅝	Consols 2½pc	25⅞xd	−1/16	9.66	-
26⅜	23⅞	Treas. 2½pc	25⅝	−1/16	9.76	-
		Index-Linked (b)			(1)	(2)
122¼	115⅜	Treas 2pc '94 (102.9)	122⅛	+1/16	2.54	3.53
176⅜	168⅞	Do. 2pc '96 (67.9)	176⅜		3.31	3.85
144⅜	137⅜	Do 2½pc '01 (78.3)	144⅛		3.87	4.17
140⅝	133	Do. 2½pc '03 (78.8)	140⅜		3.92	4.19
142⅝	135	Do. 2pc '06 (69.5)	142⅛		4.01	4.22
130⅝	124⅜	Do. 2½pc '09 (78.8)	130⅛		4.05	4.24
134⅛	128⅞	Do. 2½pc '11 (74.6)	134⅛		4.06	4.23
110⅞	105⅞	Do. 2½pc '13 (89.2)	110⅛		4.07	4.23
118	113⅞	Do. 2½pc '16 (81.6)	117⅝		4.07	4.22
113⅞	109½	Do. 2½pc '20 (83.0)	112⅞xd		4.08	4.21
95⅝	91⅛	Do. 2½pc '24‡‡ (97.7)	93⅜	−⅛	4.06	4.19

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base for indexing, (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in January 1987. Conversion factor 3.945. RPI for January 1991: 130.2 and for August 1991: 134.1.

INT. BANK AND O'SEAS

1991 High	1991 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
107⅞	95⅞	African Dv Bk 11¼Ln 2010	106⅞	−⅛	10.41	10.28
102⅝	91⅞	Asian Dev Bk 10¼pcLn2009	101⅞	−⅛	10.08	10.04
116⅛	105⅞	Int-Am Dev Bk 12½pc 2003	115⅛	−⅛	10.87	10.20
97⅜	86⅜	Do. 9¾pcLn 2015	96⅞	−⅛	10.09	10.11
125	101	Utd. Mexican States 16½pc 2008	124		13.31	12.96

CORPORATION LOANS

1991 High	1991 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
104½	100½	Birmingham 11½pc 2012	104½		11.00	10.90
98½	93½	GLC 6¾pc 1990-92	98½		6.85	9.40
118½	110½	Leeds 13½pc 2006	118½		11.39	11.10
31	28	Liverpool 3½pc Irred.	31		11.29	-
27	26	LCC 3pc '20 Aft.	27		11.11	-
105½	97½	Manchester 11½pc 2007	105½		10.90	10.80

COMMONWEALTH & AFRICAN LOANS

1991 High	1991 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
95	84½	Sth Rhod. 87-92 Asstd.	95		4.74	-

LOANS

Building Societies

1991 High	1991 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
106	102	N'wide Anglia 3⅞pc Ln 2021	105½		-	5.38
107¾	104	Do. 4.25pcIL '24	107¼		-	5.02

Public Board and Ind.

1991 High	1991 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
53	52	Met. Wtr. 3pc 'B'	53		5.66	9.95

FOREIGN BONDS & RAILS

1991 High	1991 Low	Stock	Price £	+ or −	Div % Gross	Red. Yield
50	50	Greek 7pc Ass.	50		3.50	f7.00
50	50	Do. 6pc 28 Stb. Ass.	50		3	f6.00
50	50	Do 4pc Mixed Ass.	50		2	f4.00
55	55	Hung. '24 Ass.	55		2.75	f3.57
133⅞	120⅞	Hydro Quebec 15pc 2011	132¾	−¼	15.0	10.90

Continued on next page

APPOINTMENTS

Deputy chairman at Sturge

■ Mr P.A. Davis *(pictured)* has become group deputy chairman of STURGE HOLDINGS. He joined the board in 1988 as group finance director and is retaining this responsibility.

Mr T.J. Hayday has taken on the role of chief executive – insurance operations. He was appointed to the board in June and is chairman of the Sturge Marine, Non-marine and Aviation managing agencies.

Joining the board as executive directors are Mr Peter Wilby and Mr James W. Macdonald, both chairmen of divisions, and Mr Anthony Jones, the group's chief actuary and head of the financial analysis department.

■ Mr Ken Sinclair, a director of BARCLAYS PLC and Barclays Bank Plc, vice-chairman of Barclays de Zoete Wedd Holdings and chairman of Barclays de Zoete Wedd Securities, will retire on January 31 next year. From that date he becomes chief adviser on securities matters to BZW.

■ PRINCIPAL HOTELS GROUP has appointed to the board Ms June Nelsey as sales and marketing director and Mr Tony Troy as operations director.

■ Mr Peter Harris, chief executive of McLarens, has been elected president of THE CHARTERED INSURANCE INSTITUTE. He takes over the presidency from Mr Peter Purchon, deputy chairman of Willis Wrightson.

Mr Roger Taylor, group executive director at Sun Alliance Group, has been chosen as deputy president.

■ FOREIGN & COLONIAL MANAGEMENT (FCM) and HYPO BANK (Bayerische Hypotheken-und Wechsel-Bank of Munich), which took a 50 per cent interest in FCM in 1989, have named Mr Anthony Wolfe managing director of a new cross-border fund distribution company.

The new initiative, which will have a strong European emphasis, is being established to market a range of investment products designed to meet the demands of individual national markets.

Mr Wolfe, 39, was sales and marketing director at GT Unit Managers responsible for offshore funds and unit trusts.

Joining the venture are Mr David D'Orgee as European marketing manager and Mr Jamie Ware as UK marketing manager.

■ Mr Stephen Willcox *(pictured)* has been appointed to the board of AVON RUBBER. He is managing director of Avon Industrial Polymers (AIP), a post he has held for the past four years.

Mr Willcox became a director of AIP in 1981, having previously been personnel director at Melksham.

■ At civil engineering contractor EDMUND NUTTALL, an operating company of European construction concern HBG, Hollandsche Beton Groep, Mr P.B. Brooks has assumed the role of deputy managing director. He has been a board director of Nuttall for the past three years.

■ WILLIS CORROON has appointed Mr Richard Dalzell as finance director of its worldwide direct risk management and insurance broking operations; he will be based in Nashville, Tennessee.

Mr Richard White has become financial controller of the Willis Corroon group in London.

Top change at CI Group

■ Wolverhampton based steel and engineering concern CI GROUP said that Mr Patrick McTighe, currently a non-executive director of the company, is to assume the position of chairman. He succeeds Mr Albert Hargreaves, who will remain with the group as a non-executive director.

Mr McTighe, who joined the CI board at the beginning of last year, is now retiring from his post of chief executive at Davy Corporation following its acquisition by Trafalgar House.

■ CHARTERHOUSE BANK has appointed Angus Rose, Stephen Lockley and Guy Pigache as directors of the bank, while Mahfouz Zacharia and Alasdare Lambert have been named as assistant directors.

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AMERICANS

1991 High	Low	Stock	Price £	+ or -	Div Gross	C'vr	Y'ld Gr's
33¼	20⅞	Abbott Laboratories‡	31	.....	$1.00	-	1.9
385p	252p	♦Allegheny & W 1c	253p	.....	30c	-	7.0
10⅛	667p	Amdahl 5c	777pxd	+19	10c	-	0.8
42⅞	25¾	Amer. Cyanamid $5	36¾	-⅛	$1.50	-	2.4
17⅞	9⅞	Amer. Express 60c	14⅞xd	+⅛	$1.00	-	4.0
24⅞	15¼	American T. & T. $1	21½xd	.....	$1.32	-	3.6
38⅞	32½	Ameritech $1	35¼	-⅛	$3.40	-	5.7
26	12⅞	BankAmerica $1⅝	23½xd	+½	$1.20	-	3.0
35⅞	20⅞	Bankers N.Y. $1	35xd	-⅛	$1.52	-	8.2
30½	24¼	Bell Atlantic $1	25½xd	-⅛	$2.52	-	5.8
31¼	25	BellSouth Corp	28¼	.....	$2.76	-	5.7
11¼	6⅞	♦Bethlehem Steel $8	9¼xd	-⅛	40c	-	2.6
1839p	1046p	Bowater Inc	1277p	-75	$1.20	-	5.6
54⅞	37⅞	CPC Intnl. 25c	51⅞xd	+⅛	$2.00	-	2.3
930p	420p	California Engy	859p	.....	-	-	-
50	28¼	Campbell Soup 15c	43xd	-⅛	$1.16	-	1.6
12⅞	5⅞	Chase Manhattan $12½	10⅞xd	.....	$1.20	-	6.9
9⅞	5½	Chrysler $6¼	5¼xd	+⅛	60c	-	6.2
10⅞	5⅞	Citicorp $1	8⅞xd	+⅛	$1.00	-	7.0
29	21⅞	Colgate-Palmolive $1	24⅞xd	+⅛	$1.06	-	2.5
928p	438p	Cont'l Bank Corp $4	613p	-17	60c	-	5.8
21⅞	13⅞	Dana Corp. $1	17⅞xd	.....	$1.60	-	5.5
1257p	203p	Data General	1113p	-3	-	-	-
22¼	12⅞	Dial Crop. $1.5	21xd	-⅛	$1.40	-	3.9
29⅞	20¼	Dun & Bradstreet $1	27⅛	+⅛	$2.16	-	4.7
40	24¼	Eaton Corpn. 50c	35⅜	.....	$2.20	-	-
8½	5½	Echlin Inc	6⅞xd	+⅛	70c	-	6.1
20⅛	14⅞	FPL Group 1c	19⅞xd	+⅛	$2.40	-	7.4
30⅞	17⅞	Fluor Corp 62½pc	24½xd	+⅛	32c	-	0.8
23⅞	13⅛	Ford Motor $1	17	-⅛	$1.60	-	3.5
46⅞	28⅞	Gen. Elect. 63c	39⅞xd	.....	$2.04	-	3.0
566p	270p	♦General Host Corp $1	506p	.....	34c	-	4.0
45¾	20⅞	Gillette $1	23⅞xd	.....	62c	-	1.6
18⅛	794p	Hasbro Inc 50c	17	.....	24c	-	0.8
38½	21¼	Honeywell $1½	30⅞xd	-⅛	$1.50	-	2.9
23⅛	17⅞	Houston Inds.‡	22⅛	.....	$2.96	-	7.7
72⅞	55⅞	IBM Corpn $1¼	58½xd	-⅞	$4.84	-	4.9
32½	18⅞	Ingersoll-Rand $2	27⅞xd	-⅛	$1.32	-	2.8
28¼	16⅛	Lockheed Crpn. $1	21⅞xd	-1	$2.00	-	5.4
2155p	1245p	Lowe's 50c	1926p	+1	56c	-	1.7
18⅞	9½	Manuf. Hanover $1	15⅛xd	-½	♦$3.28	-	12.3
28¼	10⅞	Merrill Lynch $1	27⅞xd	+⅛	$1.00	-	2.1
34	21⅞	Morgan (JP) $2½	34xd	+⅛	$1.98	-	3.4
44¼	25⅞	Morris (Philip)	42xd	+⅛	$2.10	-	3.0
46⅞	39	♦NYNEX $1	43⅞	-⅛	$4.56	-	6.2
89p	15p	♦Pac. Agricultural	15p	.....	-	-	-
23⅞	11⅞	Pall Corp. 25c	21⅞	-½	b44c	-	1.2
46⅞	33⅞	Pennzoil 83 1/3c	37⅞xd	.....	$3.00	-	4.7
40½	24⅞	Quaker Oats $5	33⅞xd	-⅛	$1.72	-	3.0
41¼	24⅞	Rep NY Corpn $5	38⅞	.....	$1.40	-	2.1
17⅞	12⅛	Rockwell Intl. $1	14⅞xd	-⅛	86c	-	3.6
25⅞	12⅞	Sears, Roebuck 75c	21½xd	-⅛	$2.00	-	5.5
34⅛	25⅞	Southwestern Bell $1	32⅞xd	+⅛	$2.84	-	5.2
20⅛	14⅞	Sun Co. Inc. $1	18⅛xd	.....	$1.80	-	6.0
27⅛	21⅛	Tenneco $5	21⅛xd	-⅛	$3.20	-	8.4
40½	29⅞	Texaco $6.25	36⅞xd	+⅛	$3.20	-	5.2
26⅛	15⅞	Texas Instr. $1	16⅛xd	+⅛	72c	-	2.6
*64½	37⅞	Time Warner $1	47⅛xd	-⅛	$1.00	-	1.3
16⅛	8⅞	TRINOVA Corp	12⅛xd	+⅛	68c	-	3.3
538p	250p	♦Unilab	512p	.....	-	-	-
29⅞	22⅞	Utd. Technologies	25⅛xd	-⅛	$1.80	-	4.2
92p	42p	♦Utilitech Inc	82p	.....	-	-	-
23	18⅛	US West‡	20⅛	-⅛	$2.08	-	6.0
162p	87⅞p	Varity Corp‡	119p	-½	$1.30	-	-

CANADIANS

1991 High	Low	Stock	Price £	+ or -	Div Gross	C'vr	Y'ld Gr's
89p	55p	Granges Expir.‡	89p	.....	-	-	-
520p	362p	♦Gulf Canada‡	403½p	-1	40c	-	5.1
14½	10	♦Hawker Sid Can‡	11⅞	.....	$1.06	-	4.6
2013p	876p	♦Hudson's Bay ‡	1689p	-30	♦80c	-	2.4
29¼	26⅛	♦Imperial Oil‡	26½	-⅛	$1.80	-	3.5
23¼	12½	Inco‡	17⅞	-⅛	$1.00	-	2.9
552p	316p	♦Intl. Corona Corp	350p	.....	Q20c	-	2.9
4⅞p	2¼p	♦Muscocho Explo	3p	.....	-	-	-
484p	360p	Nova Corp of Alberta	392pxd	-1	52c	-	6.8
1091p	745p	♦Rio Algom	782p	.....	80c	-	5.2
1450p	1022p	Royal Bk. Can. ‡	1342p	+9	$1.16	-	4.4
250p	197p	♦TVX Gold Inc	224p	.....	-	-	-
15p	3p	♦Tara Pure Tech. Corp‡	7½p	.....	-	-	-
1048p	736p	Toronto-Dom. Bk‡	889p	+23	76c	-	4.4
979p	719p	♦Trans Can Pipe	832p	+11	72c	-	4.4

For Varity see Americans

BANKS, HP & LEASING

1991 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
£12½	£9⅞	ABN Amro Fl5	£11⅞	+⅛	Q58%	♦	7.2	♦
189	121	ANZ $A1	181	-4	sQ38c	1.9	‡	5.5
311	211	Abbey National 10p α	305	-3	t9.5	3.2	4.2	10.0
183	126	Allied Irish Ord α	168	-3	tQ43.7%	1.9	5.8	12.3
65	47	Anglo Irish y	52	+2	Q18.6%	2.3	9.0	6.8
60	23	Ansbacher (H.) 1p β	48	.....	1.5	-	5.0	-
£54⅞	£38⅞	Bancaire Cie Fr100	£54½	-⅝	kQ13½%	-	2.6	-
£18⅝	£12½	Banco Bilbao Viz	£17⅞	.....	Q49.1%	2.7	4.6	8.1
£30⅛	£21⅞	Banco de Santander	£28¼	.....	Q28.7%	2.3	3.9	10.9
173⅞	115⅞	Bank Ireland Ir£1 α	137	.....	kQ11.8%	0.6	7.7	22.4
£19½	£19	Bank Leumi	£19	.....	-	-	-	-
350	340	Bank Leumi (U.K.)£1	348	.....	16.0	-	6.3	-
*126	91	Bank Scotland α	123	-2	tq5.1	0.9	5.6	26.4
110	96½	Do. 9¼pc Irrd Pf £1 y	109¾	+½	9¼%	-	11.2	-
115¼	99½	Do. 9¾pc Irrd Pf £1 y	115¼	+½	9¾%	-	11.3	-
489	327	Barclays £1 α	465	-3	21.15	0.7	6.1	30.7
12	3	Beachmark 5p α	5	.....	-	-	-	19.9
270	195	Brown Shipley £1 β	223	.....	8.0	2.2	4.8	-
464	313	Cater Allen £1 β	385	.....	25.0	-	8.7	-
£231⅞	£191⅞	Deutsche Bk DM50	£228	.....	Q28%	-	2.1	-
£10⅛	£7⅞	Dai Ichi KBk Y50	£10⅞	+⅛	Q17%	3.7	0.4	76.4
£21⅞	£16¼	Espirito Santo	£20¼	.....	Q75c	5.1	2.2	8.9
213	69	First Nat. Fin. 10p α	69	-3	‡13.0	1.2	‡	(4.1)
110	60	FNFC 6.3pc Cr. Pf.£1 y	65	+1	6.3%	-	12.9	-
1189	867	Fuji Bank Y50	1127	.....	Q18%	4.0	0.3	70.5
385	260	Gerrard & National α	329	.....	20.5	-	8.3	-
235	174	HSBC Hldgs HK$10	238	+6	tQ156c	-	5.2	-
302	204	Hambros 20p α	292	-1	12.8	2.1	5.8	10.3
125	90	Do. 7.5pc Cr Pf £1 y	118	.....	7½%	-	8.5	-
413	353	Joseph (Leo) £1 β	353	.....	15.85	-	6.0	-
153	110	King & Shaxson 20p β	125	.....	10.25	-	10.9	-
377	249	Kleinwort Benson Grp α	347	.....	16.0	-	6.1	-
571	382	Kyowa Saitama Y50	528	+2	Q14%	♦	0.6	♦
408	268	Lloyds £1 α	404	+1	t15.3	1.5	5.0	17.3
63	44	Lon. Scot. Bank 10p α	51	.....	2.75	1.7	7.2	9.9
263	150	Midland £1 α	247	-5	t9.0	-	-	-
£11⅞	832	Mitsubishi Bank Y50	£11⅞	+⅛	Q18%	4.0	0.3	73.0
£8⅛	£6⅞	Mitsubishi Tst & Bk Y50	£7½	.....	Q17%	12.4	0.5	16.7
£8½	£6⅝	Mitsui Taiyo Kobe Y50	£8¼	+⅛	Q17%	♦	0.4	♦
664	507	Mitsui Tst & Bk Y50	629	+4	Q17%	5.5	0.6	31.9
339	207	Nat. Aust. Bk. A$1	338	-1	gQ55c	1.5	7.6	8.8
357½	247	NatWest £1 α	348	-6	17.5	-	6.7	-
£207¼	£100	Ottoman Bank	£178	.....	Q110%	1.0	6.5	15.6
46	24	Rea Bros. Group α	45	.....	0.5	2.6	1.5	(38.7)
211	147	Royal Bk. Scotland α	189	.....	8.4	1.4	6.1	15.0
£10¼	£7⅛	Sanwa Bank Y50	£9⅞	+⅛	Q17%	♦	0.4	♦
953	640	Schroders £1 β	953xd	.....	t14.0	3.6	2.0	19.0
758	423	Do. £1 N/V β	758xd	.....	t14.0	3.6	2.5	15.1
£21⅛	£9⅞	Sec. Pacific $10	£18⅜	+⅛	Q$1.52	-	4.8	-
413	205	Standard Chartd. £1 α	374	-1	t20.0	0.6	‡	32.9
£10½	£7⅞	Sumitomo Bank Y50	£10⅛	+⅛	tkQ16%	7.5	0.4	37.3
£7¾	£5⅛	Sumitomo Tst & Bk Y50	£6⅝	+⅛	Q17%	♦	0.6	♦
165	124	TSB α	148	-2	6.4	-	5.8	-
159	112	TSB Bank Ct'Cnv Ir'l β	145	.....	g08.0	3.8	5.5	5.8
£7⅞	£5¼	Tokai Bank Y50	£7½	+⅛	Q17%	2.7	0.5	74.1
793	639	Toyo Tst & Bk Y50	752	+5	Q17%	3.4	0.5	57.8
600	230	Union Discount £1 α	249	.....	35.0	1.7	18.7	(3.8)
549	314	Warburg (S.G.) α	547	-1	16.0	2.4	3.9	13.5
187	109	Do 6pc Cnv Prf £1 y	186	.....	6%	-	4.3	-
222	128	Westpac $A1	205	-2	sQ52.5c	1.2	‡	6.9
353	278	Wintrust 20p β	278	-5	9.3	3.6	4.5	8.2

BUILDING, TIMBER, ROADS — Contd

1991 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
195	99	Beazer 10p α	117	.....	4.0	♦	4.6	♦
*277½	192	Bellway α	245	.....	11.0	1.9	6.0	12.0
19	3	Bellwinch 10p	3	.....	-	-	-	-
*351	211¼	Berkeley Group α	336	-2	M4.5	0.3	1.8	-
153	107	Bett Bros. 20p β	188	.....	6.4	2.2	7.9	7.5
188	119	Birse Group 10p α	155	.....	5.5	2.5	4.7	10.9
122	90	Blockleys 20p β	103xd	.....	4.81	1.9	6.2	11.3
286	198	Blue Circle 50p α	261	-3	11.25	1.5	5.7	14.7
148	110	Do. 7⅜pc Cr Rd Pf £1 y	139	-1	7⅜%	-	7.3	-
655	438	Boot (Henry) 50p β	653	+45	25.0	3.0	5.1	8.6
111	69	Breedon β	101xd	.....	4.6	2.1	6.1	10.4
355	355	BB & EA	355	.....	0.5	-	0.2	-
146	93	British Dredging β	137	.....	7.4	1.3	7.2	14.5
120	89	Bryant Group α	102xd	-1	4.8	♦	6.3	♦
86	68	Bucknall 1p β	88	.....	4.8	2.7	8.0	5.8
105	67	CALA 5p β	68xd	.....	3.4	♦	6.7	♦
85	25	♦CMW Group 5p β	81	.....	2.88	3.3	4.7	8.5
269	187	CRH α	238	-2	tQ33.3%	3.8	3.3	11.3
60	33	Cakebread Robey 'A' β	53	.....	s3.0	1.1	‡	16.3
57	17	Conder Group 5p β	18	.....	0.3	-	2.2	-
*40	17	♦Cooper Clarke Grp 10p β	22	.....	g0.5	2.0	3.0	3.2
*223	95	Costain Group α	104	+5	tg12.25	-	15.7	-
*150½	76½	Countryside Props. α	106	.....	g4.11	3.1	5.2	8.3
133	32	Crest Nichol 10p α	41	.....	‡7.65	0.5	‡	(13.6)
63	35	Do 5¼pc. Cr. Rd. Pf £1 y	48	.....	5¼%	-	18.3	-
20	9	Creston 10p α	16	.....	‡1.0	-	‡	-
*110	53	Crossley Prop. Grp β	68	.....	g3.75	-	8.3	-
46	21	Dawson Tyson 10p β	46	.....	1.0	2.8	2.9	16.3
580	295	Douglas (Robt. M) α	499	.....	♦10.5	3.7	2.8	11.8
12	1¼	♦Dunton Group 5p α	5¼	-¼	-	-	-	-
150	95	EBC 50p β	134	.....	8.0	2.0	8.0	7.9
47½	29	Edmond Hldgs 10p β	41½	+1	1.85	2.2	5.9	9.9
160	105	♦Epwin Group 10p β	160	.....	6.4	2.4	5.3	10.4
77	49	Erith β	78	.....	3.9	0.9	7.4	20.4
266	210	♦Eve Group β	236	.....	9.2	3.1	5.2	8.3
117	73	Evered Bardon α	74	-1	5.6	1.0	10.4	(12.0)
26½	13¼	♦Explaura L/V 5p α	15½	.....	-	-	-	-
15	4	Fairbriar 10p	8	.....	‡1.25	3.6	‡	1.4
5½	2	Finlan Group 10p α	3	.....	‡2.2	-	-	-
233	98	♦Freeman Group 10p β	98	.....	8.3	1.9	11.6	5.1
104	71	Galliford 5p	95	+1	4.25	1.9	6.0	11.7
35	25	Gibbs & Dandy "A" β	27	.....	-	-	-	-
853	583	Gleeson (M.J) 10p β	853	.....	t10.77	7.2	1.7	11.0
193	153	Grafton Grp	153	.....	tQ33.3%	3.8	5.0	7.4
110	50	Graham Wood β	53	.....	5.5	2.8	13.8	3.0
92	48	Harrison Inds 10p β	60	.....	s3.25	1.4	7.2	12.8
100½	64	Hewden-Stuart 10p α	91	-1	3.0	3.0	4.4	10.0
*88	66	Hewetson 10p β	66	-5	g4.5	♦	9.1	♦
84	63	Do. 7pc Cm Cr Pf £1 y	65	-2	7.0	-	14.4	-
25	20	♦Hiley & Croft 25p β	21	.....	-	-	-	-
308	229	Heywood Williams α	303	-2	tg12.5	1.3	5.5	17.5
128	100	Do. Cnv. Prf. y	124	-1	6.75	-	7.3	-
*369	201	Higgs & Hill α	201	-22	20.0	0.6	13.7	(24.9)
41	26	How Group 10p β	32	.....	s3.6	1.1	‡	7.5
21	15½	Howard Hldgs. 10p β	16	.....	0.5	2.6	4.2	9.6
*124	78	Ibstock Johnsen α	92xd	.....	t96.0	0.6	8.7	(33.2)
23	8	Do. Warrants α	8¼	.....	-	-	-	-
90	50	Jackson Group 10p β	55	.....	3.2	1.2	7.8	13.9
90	53	Jarvis 5p β	53	.....	2.0	1.9	5.0	13.2
683	549	Kajima Y50	645	.....	Q26%	♦	0.9	♦
100	70	♦Kingspan Grp Ir10p	82½	.....	Q31.0%	5.3	3.4	7.8
£41¾	£30	Lafarge Cop. FFr25	£36½	.....	Q54%	2.8	3.9	9.3
347	254	Laing (John) β	288	.....	13.0	1.9	6.0	10.3
55	16	Phoenix Timber α	22	.....	0.5	-	3.0	-
£10	£8¼	Pochins	£9¾	.....	24.0	7.5	3.3	5.3
224	135	Polypipe 10p α	224xd	+6	3.75	♦	2.2	♦
201	158	Prowting 20p β	186	.....	5.0	1.4	3.6	27.2
46	25	♦Quilligotti 5p α	37½	.....	♦1.53	1.9	5.4	12.8
749	594	RMC α	624xd	-4	t19.3	2.0	4.1	14.5
145	93	Raine Inds. 10p α	145	+2	6.0	♦	5.7	♦
76	50	♦Ramus β	67	.....	‡1.5	-	‡	-
*658	503	Redland α	546xd	-3	tg25.0	1.3	6.1	(15.7)
79	63	Roskel 10p β	66	.....	4.3	2.2	8.7	7.0
205	135	Rugby Group α	189xd	-1	6.45	2.1	4.6	13.9
22	11	♦SWP Group 5p β	11½xd	.....	0.6	3.7	7.0	5.2
62	23	♦Sandell Group 10p β	35	-3	‡1.7	-	‡	-
68	38	♦Severfield-Reeve 10p β	60	.....	3.0	2.3	6.7	8.6
98	79	Sharpe & Fisher β	84xd	.....	4.0	0.4	6.3	-
161	103	Sheffield Insuls 10p β	134	.....	5.4	2.7	5.4	9.0
110	66	♦Sheriff Hldgs. 5p β	66	.....	♦5.1	2.1	‡	5.9
148	80	♦Shorco Grp β	82	+1	5.2	1.8	8.5	8.6
168	151	Sindall (Wm) 5p β	153	.....	6.0	3.0	5.3	7.3
200	161	Smart (J.) 10p β	200	.....	td7.2	3.4	4.8	8.1
*22	15¼	Stanmin 5p α	16xd	.....	H0.3	3.4	2.5	33.1
424	280	Steetley α	280	-9	14.0	1.3	6.8	14.2
283	196	Tarmac 50p α	199xd	.....	11.25	0.8	7.5	(22.0)
175	106	Tay Homes β	169	.....	4.8	4.7	3.8	7.4
*289	184	Taylor Woodrow α	193	-4	t9.5	1.1	6.6	18.2
725	508	Tilbury Group α	628xd	.....	33.0	2.0	7.0	9.3
41	28	♦Torex Hire 10p β	35	+1	‡1.6	-	‡	13.7
251	188	Travis Perkins 10p α	236xd	.....	8.0	1.0	4.5	30.3
*62	39	Try Group β	59	.....	6.0	1.7	13.6	6.4
33	22	♦Tudor 20p	32	.....	2.7	1.4	11.3	8.7
150	25	Turriff Corp β	36	.....	4.25	-	15.7	-
10	3	♦Venture Plant Grp. 5p α	4	-1	-	-	-	-
123	66	Vibroplant 5p β	114	.....	3.6	2.5	4.2	11.6
208	105	Ward Group 5p β	105	.....	‡7.2	2.3	‡	4.6
100	53	Ward Hldgs. 10p β	64	.....	2.6	1.8	5.4	13.5
428	368	Watts Blake β	419	.....	9.3	2.7	3.0	15.8
44	30	♦Wescol Group 10p β	35	.....	‡1.5	2.0	‡	3.1
*190	128	Westbury 10p α	148	.....	g9.0	0.9	8.1	19.2
*52	21	♦Westminster Scaffdg 10p β	31	.....	-	-	-	-
62	6	Wiggins Group β	17	.....	-	-	-	-
*446	335½	Wilson Bowden 10p α	445	.....	tg8.3	3.5	2.5	15.2
211	162	Wilson(Connolly) α	194	.....	t3.74	3.0	2.6	17.5
229	164	Wimpey (Geo) α	185	-1	10.5	0.6	7.6	28.2

CHEMICALS, PLASTICS

1991 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
£74⅛	£21⅞	Akzo Fl.20	£35⅝	.....	Q32½%	2.3	5.5	7.9
182	120	Allied Colloids 10p α	180½	-1½	3.5	2.7	2.6	18.3
392	301	Amersham Intl α	371	.....	11.8	1.4	4.2	20.7
19½	5	Astra Hldgs. 10p α	7½	-¼	-	-	-	-
£88⅞	£67	BASF AG DM50	£85⅞	+½	Q40.6%	1.5	7.9	8.4
241	148	BTP 10p α	241	.....	8.4	1.8	4.6	15.2
£99¾	£72⅞	Bayer AG DM 50	£99¼	+⅞	Q26%	2.3	4.6	-
220	124	Blagden Inds β	220	+3	t9.5	1.7	5.8	(12.2)
167	121	Brent Chems 10p α	150xd	.....	7.4	1.2	6.2	(16.7)
120	42	Caird Group 10p α	114	.....	ta2.38	0.4	2.8	-
90	43	Do. 7p Cr Pf 2009 10p y	85	+1	7.0	-	11.0	-
37	13	♦Cambridge Isotope 1c	36	.....	-	-	-	-
156	94	Canning (W.) α	155	.....	7.29	1.1	6.3	18.6
15	4	♦Chemex Intl. 5p β	8	.....	-	-	-	-
203	146	Croda Int. 10p α	163½	+2½	‡11.0	1.1	‡	(12.9)
94	68	Doeflex 10p β	77	.....	4.02	2.5	7.0	7.5
218	165	Ellis & Everard β	218	+1	7.05	2.2	4.5	13.2
1992	917	Engelhard US$1	1984	-14	Q80c	-	2.5	-
18	12	European Colour 5p β	14	.....	0.65	1.2	6.2	17.9
124	43	Evode Group 20p α	69	-2	6.42	0.9	12.4	(11.9)
85	53	Do. 7p Rd.Pf. 20p y	63	.....	7.0	-	14.8	-
364	202	Halstead (J.) 10p β	358	.....	t10.5	3.2	3.9	10.5
*200	95	Hickson Intl α	191xd	-5	t8.0	1.3	5.6	18.4
£93¼	£67⅞	Hoechst AG DM50	£84	.....	Q34.7%	-	6.9	-
1381	845	ICI £1 α	1327	-10	55.0	1.0	5.5	(23.9)
415	226	♦Jeyes Group 5p β	414	.....	t5.4	3.3	1.8	23.2
603	435	Laporte 50p α	597xd	+1	t17.8	2.0	4.0	14.4
351	277	Leigh Interests 5p α	302	.....	7.64	2.1	3.4	16.7
270	200	Do. 6pc Cv. Red. Prf	240	.....	6%	-	3.4	-
265	136	MTM 5p α	248	-2	t5.1	2.8	2.8	14.2
743	561	[illegible]	554	.....	s05%	2.8	0.4	-
79	10	♦Novalal 5p β	11	.....	-	-	-	-
£22⅞	£15⅝	Perstorp AB 'B' Sk10	£21¼	.....	Q45%	3.8	1.9	13.6
208	111	Plysu 10p α	204	.....	4.5	2.5	2.9	18.2
118	73	♦Porvair 2p β	116	.....	t3.0	3.6	3.4	10.7

DRAPERY AND STORES—Contd

1991 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
89	41	Martin (A.) 20p β	89	+1	4.2	1.7	6.3	(10.7)
455	294	Menzies (J.) β	447	+3	9.4	3.0	2.8	15.6
135	113	Moss Bros Grp 5p β	128	.....	5.0	1.5	5.2	17.1
47	11½	Next 10p α	44	+1½	0.7	-	2.1	-
126½	100	Oliver Group β	103	.....	h3.88	1.5	5.0	15.4
110	100	Do. RFD	103	.....	h3.88	-	5.0	-
*40	32	Owen & Robinson 1p β	34	.....	g0.15	-	0.6	-
10½	2	Panfida Group α	10½	+½	-	-	-	-
88	56	Partridge Fine Arts 10p	59	.....	t3.85	3.1	‡	5.0
170	101	Pentos 10p α	170	+1	t2.5	3.2	2.0	19.6
119	72	♦Pepe Group 10p β	118	.....	4.0	4.3	4.5	5.5
247	135	QS Holdings 10p β	235	-3	4.31	2.7	2.4	20.3
191	101½	Ratners 10p α	104xd	-11	10.0	2.1	12.8	4.1
85	55	Do. 6⅞p Cr. Cm Pf. 20p y	68	-3	6.875	-	13.5	-
83	41	♦Reject Shop 5p β	80	.....	3.15	1.5	5.3	16.4
176	101	Ritz Design Grp 5p β	176	+1	4.8	3.7	3.6	9.8
145	99	S&U Stores 12½p β	140	.....	8.0	2.6	7.6	6.7
40	32	Do. 31½pcPf. 12½p	35	.....	3.94	-	15.9	-
99	71	Sears α	92½	-1½	5.36	0.6	7.8	(32.9)
74	46	[illegible]	74	+3	4.0	2.3	7.2	8.0
638	330	♦Sherwood Grp 10p β	635	.....	9.1	4.3	1.9	14.9
*478	301	Smith (W. H.) A 50p α	443	+7	12.5	2.4	3.8	14.5
41	13	♦Specialeyes 2p β	38	.....	-	-	-	♦
39	25	Stirling Group 20p β	37½	.....	1.5	♦	5.3	♦
126	94	Storehouse 10p α	108	-3	5.0	0.7	6.3	(39.9)
239	141	T & S Stores 5p α	220xd	.....	t5.0	2.8	3.0	15.0
*33	18	The Rack 5p β	27	.....	H0.5	-	2.5	-
166	109	Time Prods. 10p α	147	.....	7.25	1.7	6.6	11.9
15	4½	Upton & Southern	9	.....	-	-	-	-
66	32	♦Usher (Frank) 5p β	49xd	.....	4.0	1.6	10.9	7.5
65	36	Vivat Hldgs β	41	-1	0.5	14.2	1.6	4.4
78	55	♦Wensum 5p β	71	.....	3.5	1.9	6.6	10.5
*75	27	Wickes α	73	.....	tg1.0	-	‡	-
37	18	Wilding Off. 10p β	28	+1	‡1.8	-	‡	-
45	15	♦World of Leather 10p β	49	.....	-	-	-	-
205	121	♦Wyevale Gdn.Ctr β	205	+2	t3.38	2.6	2.2	19.2

ELECTRICALS

1991 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
151	90	AB Electronic α	101	.....	0.1	-	0.1	-
150	73	ACT Group 10p α	148	-1	s3.75	1.1	3.4	15.0
203	168	♦Acal 5p β	203	.....	5.4	3.3	3.5	9.9
16	11	♦Acorn Cmptr 10p β	13	.....	-	-	-	8.4
345	220	Admiral 5p β	325	.....	t4.2	5.0	1.7	15.4
120	63	Alba 10p β	116	.....	4.35	1.6	5.0	16.3
8	2½	Alphameric 5p α	2½	.....	-	-	-	-
93	46	Amstrad 5p α	49	+2	1.4	4.6	3.8	6.8
167½	50	♦Appl'd Hgraphics 5p β	68	.....	-	-	-	-
42	32	Arcolectric 'A' NV 5p β	38	.....	t1.06	2.3	3.8	15.0
36	13	Arlen 20p β	25	.....	0.5	0.5	2.7	-
£43⅞	£22⅞	ASEA AB B Sk.50	£35½	+¼	Q26%	2.3	3.3	13.1
30	8	Astec (BSR) 10p α	17	.....	t00.7c	1.6	‡	(17.4)
270	163	Auto'tel Sec. 10p α	175	+4	t4.9	4.1	3.7	7.1
18	10	♦Cranbrook Elect 5p β	14	.....	-	-	-	-
81	46	CrayEl'tronic 10p α	74	+3	-	-	-	-
80	41	Dale Elect. 10p β	79	.....	5.1	1.2	8.6	12.7
451	276	Delta α	443	-5	14.0	2.1	4.2	14.3
38	31	Densitron Intl. 5p β	31	.....	1.7	0.6	7.3	(38.1)
164	135	♦Dennsams Elect. β	158	-3	5.65	2.6	5.0	10.2
56	38	Dewhurst 'A' 10p β	38	.....	1.7	2.4	6.0	9.5
405	170	Domino Print Sci. 5p β	392	-2	¶6.25	4.3	2.2	16.5
69	49	Dowding & M. 10p α	67xd	.....	2.4	♦	4.8	♦
685	460	♦Druck Hldgs 5p β	685	.....	s8.8	4.3	1.7	17.6
25	14	♦EIT Group 5p α	15	.....	-	-	-	-
288	193	Elect'comps 10p α	279	+3	6.6	2.7	3.2	15.8
41	17	Electron House 10p α	41	.....	2.25	0.6	7.3	30.4
240	72	Elec. Data Proc. 5p β	228	.....	t3.0	8.1	1.8	9.3
54	22	Emess α	38xd	.....	‡3.5	-	‡	-
57	33	Do. 6.25pc Pref. 5p y	54	-1	6.25	-	15.4	-
78	13	Enterprise Computer 10p α	13½	.....	‡2.5	-	‡	-
£20⅞	£14¼	Ericsson (L.M.) SK10	£14⅞	-⅛	Q35%	5.0	2.1	9.4
287	181	Eurotherm Intl 10p α	287	+11	t7.05	2.3	3.3	15.2
77	35	FKI 10p	76	.....	3.3	1.7	5.8	(32.3)
245	156	Farnell Elec. 5p α	245	.....	5.5	3.0	3.0	14.9
36	24	♦Feedback 10p β	24	.....	0.5	2.9	2.8	16.6
19	6½	Ferranti Int'l 10p	8½	.....	-	-	-	-
89	19	First Technology 10p α	46	.....	1.0	-	2.9	-
82	41	♦Forward Group 5p β	70	.....	2.2	3.6	4.2	8.8
27½	11	Forward Tech α	22½	.....	-	-	-	-
513	376	Fujitsu Y50	423	.....	Q20%	♦	1.1	♦
222	166	GEC 5p α	199	.....	9.25	1.8	6.2	10.6
£43½	£31⅛	GN Great Nordic £5	£34⅝	.....	k6%	-	1.5	-
69½	47	Gardiner Group 5p α	68	.....	gt1.13	4.0	2.2	13.3
228	173	Goring Kerr 10p β	228	.....	¶15.0	1.6	8.8	9.7
16	9	♦Graham Telecommunication 5p β	9	.....	-	-	-	-
713	435	Harland Simon 10p α	708	+8	7.5	5.7	1.4	15.4
£34⅛	£15⅞	Hewlett-Packard $1	£27½	-⅞	Q50c	-	1.1	-
70	48	♦Hilclare 5p β	63	.....	0.5	10.2	1.1	10.8
6½	0½	Holmes Protect. 1c α	5½	.....	-	-	-	-
54½	40½	Hong Kong Telecom	53	.....	Q33c	♦	4.8	♦
390	343	Hoskyns Group 5p α	398	.....	t2.4	5.5	0.8	29.7
113	50	♦INSTEM 10p β	78	.....	2.85	5.0	4.9	5.4
79	37	♦Johnson Elect.	63	.....	Q20c	2.0	2.4	20.6
215	120	Jones Stroud β	175	.....	8.0	2.0	6.1	10.7
27	20	Kenzbrey 5p β	27	.....	0.38	6.9	1.9	10.3
287	163	♦Kewill Systems 5p β	284	.....	5.0	♦	2.3	♦
143	110	Kode Int β	117	.....	‡7.5	0.3	‡	-
63	41	♦LPA Industries 10p β	56	.....	3.52	1.6	8.4	10.0
35	19	♦Laser-Scan 5p β	28	.....	-	-	-	4.2
79	42	[illegible]	78	.....	s0.4	-	0.7	-
320	257	Lec Refrigeration β	259	.....	14.5	0.9	7.5	21.4
75	51	♦LEICA 5p β	70	.....	s0.28	1.7	0.5	-
15	9	Lexicon Inc 1c	12	.....	Q0.25c	4.5	1.2	17.9
151	84	Life Scien's Int. 10p α	150	-1	t2.9	2.4	2.6	19.6
244	144	Logica 10p α	233xd	+2	3.5	♦	2.0	♦
94	75	♦MMT Compt. 5p β	86	.....	3.0	2.7	4.7	10.5
242	118	♦MTL Instrs Grp 10p β	242	+2	t2.8	5.4	1.5	15.9
388	223	Macro 4 5p β	385	+2	11.0	2.2	3.8	16.0
63	35	♦Magnetic Materials 10p β	62	.....	3.0	♦	6.7	♦
307	193	♦Meadow-Swain 5p β	307	.....	7.3	3.0	3.2	12.9
161	93	♦Microlec Group 5p β	93	.....	4.15	2.2	5.9	10.0
191	116	♦Microfilm Rep. 10p α	188	+1	th3.0	3.2	2.1	19.0
2125	711	Micro Focus 10p β	1795	-18	-	-	-	25.1
187	119	Microgen Hldgs. 5p α	154	-7	t7.0	1.8	6.1	11.5
24	10	♦Microvitec 5p β	17	.....	tq0.3	-	‡	-
197	62	Misys 5p β	197	.....	d5.67	2.2	3.8	14.4
334	234	Mitsubishi Elect Y50	282	+1	Q20%	♦	1.6	♦
127	70	Molynx 20p β	115	.....	t3.75	2.9	4.3	9.1
£42	£23⅞	Motorola $3	£33½	-½	Q76c	-	1.3	-
93	48	Multitone Elect. β	89	.....	2.0	2.3	3.0	15.9
707	484	NEC Corpn Y50	584	+4	Q20%	2.9	0.8	44.4
157	94	Neotronics Tech. 5p β	133	.....	2.4	3.2	2.4	16.2
40	17	Nesco Invests β	38	.....	u2.4	-	10.7	-
75	65	Newmark (Louis) β	67	.....	-	-	-	-
1419	659	Nokia Corp Pf FM20	1139	.....	Q14%	-	3.6	-
46	25	♦Norbain Elec. 5p β	42	.....	0.7	5.6	2.3	10.3
£3½	£1⅞	Norsk Data 'A' N.K.20	£1¼	.....	-	-	-	-
81	40	Northamber 5p β	47	.....	2.5	-	7.1	-
£23⅞	£12⅛	Nth Telecom Il	£22⅝	+⅛	Q32c	-	0.9	-
15	10	Oceonics 2½p α	13	.....	B-	-	-	♦
279	227	Oxford Inst. 5p α	233	+2	4.15	4.2	2.4	13.4
147	60	P & P 10p α	117	.....	t4.25	3.8	4.8	6.2
195	128	P-E Intl. 10p β	175	-1	6.2	2.0	4.7	13.8
71	43	Peek 5p α	65	.....	3.4	1.2	7.1	15.5
201	145	♦Pegasus Group 5p β	154	+5	12.1	1.9	10.5	6.8
250	215	Penny & Giles Intl β	250	.....	4.75	4.3	2.5	12.2
£11⅞	£5⅞	Philips Elects F10	£10½	-⅛	-	-	-	-
£80	£63	Philips Fin. 5¼%	£80	.....	Q5¼%	-	7.2	-
365	227	Pifco Hldgs. 20p β	327	.....	7.75	4.1	3.2	10.2

ENGINEERING

1991 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
134	85	APV 10p α	134xd	+2	5.4	1.2	5.4	19.4
278	208	ASW Hldgs α	220	.....	t12.5	1.7	7.6	8.6
126	79	Adwest Group α	126	+1	7.0	♦	7.8	♦
64	35	Aerospace Eng. α	47	+5	3.12	1.3	8.9	11.2
156	88	Ash & Lacy 5p β	156	+5	6.4	2.1	5.6	11.3
£27¼	£13¾	Atlas Copco B Sk25	£24⅝	-⅛	Q32%	2.5	2.9	13.5
860	645	♦Atlas Conv Eqs 5p β	860	.....	19.5	2.7	3.0	16.2
408	235	BM Group 10p α	405	.....	t2.6	8.4	0.9	17.1
64½	35½	Babcock Intl. 10p α	58½	+1	3.0	1.7	6.8	11.4
8¼	4¼	Bailey (C. H.) 10p α	6½	.....	-	-	-	-
149	97	Beauford 10p β	97	-7	6.07	2.5	8.3	6.4
84	56	Do. 7p Cv Rd.Pf. 10p y	69	-1	7.0	-	13.5	-
92	69	Booth Industries β	90	.....	3.2	4.9	4.7	5.8
19	11	Brasway 10p α	15	.....	0.51	0.9	4.5	(32.6)
4¼	3	Bristol Ch.Ship10p α	3½	-¼	-	-	-	-
142	101	Bromsgrove Inds 5p β	142	.....	3.9	3.8	3.7	9.2
21	15	Brooke Tool 5p β	15¼	.....	t1.23	1.8	‡	7.3
127	77	Bullough 20p α	127	+2	t6.05	1.9	6.4	10.8
35	23	C.I. 10p α	33	.....	2.05	2.0	8.5	7.7
139	107	Carclo Eng. 5p β	135	-1	7.81	1.6	7.7	10.0
131	78	Castings 10p β	131	.....	3.72	3.5	3.8	10.1
109	85	Chamberlin & Hill β	91	.....	5.75	2.9	8.4	5.1
600	450	Chemring Group 5p β	608	.....	t20.95	2.0	6.0	11.0
120	80	Do.Cnv.Rd.Pf 5p	115	.....	6.0	-	7.1	-
161	120	Clayton Son 50p β	161	.....	11.8	0.7	9.8	18.6
535	400	Cohen (A) 20p β	470	+5	23.1	1.6	6.6	11.3
268	225	Concentric 10p β	261	+1	t11.0	2.5	5.6	9.5
334	203	Cook (Wm.) 20p β	318	+1	14.0	3.1	6.0	6.7
86	46	Cooper (Fr) 10p α	80	.....	4.0	1.0	6.7	15.2
40	12	Cronite Group β	26	.....	-	-	-	-
139	50	Davy Corp α	90	.....	♦	-	-	10.7
21	10	♦Dickie (James) β	18	.....	‡1.01	-	‡	-
37	29	Downiebrae 10p β	34	.....	1.0	2.6	3.9	10.6
17	7	♦Eadie α	15	.....	-	-	-	-
155	85	Edbro α	158	.....	2.0	0.3	1.8	-
81	57	Elliott (B.) α	68	.....	4.65	0.8	9.1	(9.4)
327	171	Fairey Group 5p α	322xd	+1	t8.25	3.2	3.4	11.7
*76	46	Fenner Hldgs 50p α	46	-1	tg2.25	2.8	6.7	5.9
99	71	Fife Indmar β	89	.....	4.9	2.2	7.3	8.1
40	18	Firth (G. M.) 10p α	32	.....	1.0	-	4.2	-
55	42	Folkes N/V 5p α	49xd	.....	t2.3	1.9	6.3	8.0
114	82	GEI Intnl. 20p β	99	.....	7.76	1.2	9.9	10.3
398	299	GKN £1 α	375	+2	20.5	0.9	7.3	(20.3)
132	100	Garton Eng. 10p β	118	.....	7.0	1.1	8.0	8.5
287	198	Glynwed Int. α	244	-3	11.65	1.1	6.5	17.5
149	96	Haden Mac.20p β	138	-2	8.0	2.0	7.8	8.6
121	60	Hall Eng. 50p β	113	.....	8.64	0.8	10.2	(22.9)
764	417	Hawker Siddeley α	753	+2	♦25.0	1.6	4.5	17.0
120	105	Heath(Samuel) 10p β	117	.....	5.5	1.3	6.3	14.9
160	97	Hill & Smith β	156	.....	tt5.18	2.4	4.4	12.3
13	4½	♦Hobson 5p α	7½	.....	-	-	-	-
84	58	Hopkinsons Group α	74	.....	3.7	2.0	6.7	9.2
*64	30⅝	Howden Group α	49	.....	g2.0	4.4	5.4	4.4
272	183	IMI α	255	+1	10.0	1.7	5.2	14.1
67½	44	Johnson & Firth 10p α	67½	+1	3.0	1.8	5.9	10.9
76	55	Jones & Shipman β	73	.....	1.0	1.3	1.8	(51.7)
9	5	♦Kemp (P.E.) 5p β	5	.....	-	-	-	-
£20⅞	£13⅝	Kvaerner A.S. "B"	£20½	+¼	Q22%	-	1.2	-
282	154	Laird Group α	268	-4	10.0	1.6	5.0	14.9
141	83	Lee (Arthur) 12½p α	123	.....	5.9	1.9	6.4	10.8
126	66	Linread	87	.....	5.7	0.5	8.7	(49.1)
28	21	Locker (T) 5p β	27	.....	1.6	1.3	7.9	(12.2)
25	16	Do. 'A' 5p β	21	.....	1.6	1.3	10.2	(9.5)
96	49	ML Hldgs 5p α	62	.....	3.45	2.4	7.4	7.5
60	32	MS Internl 10p α	47	.....	2.5	0.2	7.1	-
*213	151¼	Stanley Inds. α	201	.....	g8.2	2.4	5.4	9.7
339	130	TACE 10p β	339	.....	♦‡11.0	1.0	‡	29.4
637	371	TI Group 50p α	624	-10	t19.5	2.2	4.2	12.5
138	44	Telfos 20p β	57	-1	s2.88	-	6.7	-
57	28	Tex Hldgs 10p β	44	.....	-	-	-	-
142	100	Thornton (G.W.) 5p β	125	.....	t4.75	3.1	5.1	8.6
1685	1204	Thyssen Dm10.	1572	-13	sQ20%	-	4.4	-
155	60	Torday & Carlisle 5p α	97	.....	♦t7.2	2.4	‡	4.9
134	95	Triplex Lloyd α	134	+5	7.0	1.4	7.0	13.0
80	45	♦UMECO β	61	.....	3.90	2.2	8.5	6.6
21	12	Utd. Industries 10p β	15	.....	1.0	-	8.9	-
438	330	VSEL Consortium £1 α	412	+1	22.5	3.1	7.3	5.9
40	29	Verson Intl 10p α	29	.....	1.0	1.5	4.6	(18.2)
245	164	Vickers 50p α	185xd	+6	9.9	1.9	7.1	9.5
625	403	Victaulic β	625	+1	t12.0	2.8	2.6	-
286	209	Vosper Thornycroft α	285	+1	11.38	3.0	5.3	8.4
65	55	WB Industries 5p β	55	.....	-	-	-	-
425	310	Wagon Industr'l β	422	+1	17.0	2.0	5.4	11.7
434	227	Weir Group α	434	.....	t9.3	2.8	2.9	16.0
39½	20½	Wellman 5p α	30½	.....	2.2	3.5	9.6	3.7
147	111	Westland 2½p α	133	.....	3.75	2.9	3.8	11.0
199	129	Whessoe β	187	-2	t6.25	3.6	4.5	8.3
*53	25	Wheway α	33	.....	H2.0	2.2	8.1	5.3
58	32	Wood (S.W.) 20p β	57	+2	0.1	-	0.2	♦

FOOD, GROCERIES, ETC

1991 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
143	43	ASDA Group α	50½	+3½	g4.8	2.1	14.8	5.0
107	87	Acatos & Hutch's 50p β	93	.....	3.5	1.4	5.0	18.4
135	95	Albert Fisher 5p α	107	-1	t3.35	2.5	4.2	11.0
35	10	Alpine Group 5p α	12	.....	-	-	-	-
18	18	♦American Dist. 5p	18	.....	‡3.0	2.9	‡	1.7
270	233	♦Appleby W'ward 20p β	258	.....	8.5	3.0	4.5	9.8
*315	234¾	Argyll Group α	293	+1	g8.7	2.4	4.0	13.4
119	87	Ashley Grp. 5p α	91	+2	t1.62	4.6	2.4	10.2
154	118	Do 8.25p(Net) Cv Pf 5p y	125	.....	8.25	-	8.8	-
545	421	Ass. Brit. Foods 5p α	495	+3	12.2	3.7	3.3	11.0
159	112	Ass. Fisheries β	144	.....	7.0	1.9	6.5	11.1
100	63	♦Avonmore Foods A Ir5p β	93	.....	kQ7½%	6.0	3.7	11.5
£96¼	£70½	BSN Fr 10	£95½	.....	130%	3.5	2.1	13.6
155	130	Banks (Sidney C.) β	154	.....	8.0	2.5	6.9	7.6
239	153	Barr (A.G.) β	200	.....	h5.2	3.1	3.5	12.4
137	95	♦Bensons Crisps 10p β	126	.....	t2.75	4.7	2.9	9.8
42	17	Berisford Intl 10p α	32	-1½	-	-	-	-
27	12	♦Bio-Isolates 10p β	24	.....	-	-	-	11.2
491	409	Booker α	484	+3	t21.25	1.4	5.9	14.6
41½	29	Borthwicks 10p α	39½	.....	1.0	1.1	3.4	(32.8)
406	266	Brake Bros 10p α	405	.....	t5.25	4.4	1.7	17.6
58	26	Budgens 10p α	39	+2	-	-	-	-
440	314	Cadbury Schweppes α	434	-4	t11.5	1.9	3.5	16.9
167	110	Carr's Milling β	111	.....	t7.5	0.5	‡	27.8
66	46	♦Clarke Foods 5p	54	.....	2.0	2.6	4.9	10.5
528	450	Clifford Foods β	515xd	.....	t11.0	2.3	2.8	19.9
237	155	Do. "A" N-V	215xd	.....	t11.0	2.3	6.8	8.3
126	70	♦Cranswick Mill 10p β	125	.....	6.5	2.0	6.9	9.4
41	28	Cullen's Hldgs 10p β	40	.....	0.5	5.3	1.7	12.2
92	66½	Dairy Farm Intl 5c	78	.....	Q4.6c	2.0	3.9	12.6
275	137	Dalepak Foods 5p β	275	+1	5.0	3.5	2.4	15.8
439	332	Dalgety £1 α	417	.....	18.5	♦	6.1	♦
74	63	Daniels (S.) 5p β	63	.....	‡1.25	-	‡	-
31	17	England (J.) 5p	22	.....	-	-	-	38.7
182	85	♦Everest Foods 10p β	180	.....	6.8	♦	5.2	♦
206	124	♦Farepak 10p β	206	.....	3.72	2.8	2.4	18.8
76	59	Finlay (James) α	71	.....	4.15	2.0	7.8	7.5
*105	81	Fyffes Ir5p y	93	.....	kQ7.8%	6.1	1.3	16.4
362	258	Geest 5p	362	+2	17.0	3.5	2.6	14.3
28	12	♦Global Grp. 10p α	20	+1	10.5	3.9	3.4	9.8
70	48	Golden Vale y	70xd	+2	kQ116%	6.4	2.1	10.7
91	54	[illegible]	84	-1	sQ11c	0.6	6.1	26.0
53	43	Grand Central 10p α	47	.....	1.1	1.7	3.1	23.8
455	403	Greggs 20p β	404	.....	t13.5	3.0	4.5	10.1
245	205	Greencore y	228	.....	uQ6%	5.9	1.8	9.3
209	138	Hazlewood 10p α	199	-1	5.8	2.8	3.9	11.7
*265	152	Hillsdown Hldgs 10p α	216xd	-1	tg8.0	2.5	4.9	9.2
11	3	♦Hughes Food 5p	4	.....	t0.25	10.2	‡	1.5
85	52	Hunter Saphir β	65	.....	5.05	3.4	10.4	3.3
49	32	IAWS Grp "A"	38½	.....	sQ12%	5.9	7.6	6.8
413	265	Iceland Frozen 10p α	394	.....	t7.2	4.2	2.4	12.4
*125	61½	JLI Group 20p β	125	.....	g4.3	1.9	4.6	15.9
623	464	Kwik Save 10p α	602	+3	t12.1	3.3	2.7	15.0
78	39	Lees (John J) 10p β	63	.....	t2.0	2.0	4.2	15.3
343	287	Low (Wm.) 20p β	295	.....	tg7.75	3.5	3.5	9.5
123	84	M & W 10p β	108	.....	L2.2	3.2	2.8	10.8
95	74	Matthews (B) α	84	.....	4.5	1.8	7.1	10.4

INDUSTRIALS (Miscel.)—Contd

1991 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
1075	530	Aker Grp Free A FM20	789	.....	Q10%	0.6	3.7	45.3
*41¼	28⅝	Anglo Utd. 20p α	35½	.....	g1.6	-	6.0	-
3	1	Antares Group 5p α	1¼	.....	-	-	-	-
138	113	♦Apollo Metals 10p β	125	.....	t3.0	4.1	3.2	10.2
13½	2¼	♦Apollo Watch Prods 5p	3	.....	-	-	-	-
39½	26½	Armour Trust 10p β	36	.....	1.42	♦	5.4	♦
117	78	Assoc Brit Cnsits 20p β	105	.....	6.4	1.4	8.1	11.8
3¼	2	Assoc. Br. Eng. 1p α	2¼	.....	0.1	0.4	5.9	-
153	95	Do. 8pc Cm.Pf £1	115	.....	8%	-	9.3	-
405	167	Assoc Brit Ports α	373	-12	t7.25	3.1	2.6	16.4
6	2½	♦Assoc. Energy 5p α	2½	.....	-	-	-	-
60	40	♦Associated Farmers	60	.....	-	-	-	-
158	68	Assoc Nursing Servs 10p β	77	-1	1.0	-	1.8	-
£55¾	£29¼	Astra AB B Sk12½	£50½	.....	kQ19½%	4.7	0.4	48.4
50	31	Aukett Assocs. 5p β	38	.....	t4.25	1.8	‡	4.7
355	214	Avon Rubber £1 α	346	-3	16.5	1.8	6.4	11.0
*165	104½	BBA Group α	151	-4	g7.5	1.0	6.6	(21.2)
*106	69½	Do. 6.75pc Pf.£1 y	101	-1	6¾%	-	9.2	-
232	67	BET α	227	-3	13.25	1.1	7.8	15.1
115	28	♦BLP Group 50p β	30	.....	‡1.25	-	5.6	-
625	468	BOC Group α	613	-6	g20.4	2.0	4.4	13.0
59	36	BSG Int. 10p α	58	.....	3.2	1.7	7.4	16.3
409	265	BSS Group 20p β	409	+3	17.25	2.4	5.6	9.8
442	292	BTR α	421	-3	t15.75	1.7	5.0	13.5
164	57	Do. Warrants 92/93 α	142	+1	-	-	-	-
54	15	Do. Warrants 93/94 α	46	.....	-	-	-	-
112	41	Do. Warrants 94-95 α	92½	.....	-	-	-	-
159	91	BTR Nylex 50c	119	-1	sQ11¼c	1.5	‡	15.3
*274	204	Baird (Wm.) 50p α	262	-2	tg8.9	2.0	4.6	13.8
254	163	♦Baris Hldgs 10p β	164	.....	6.6	3.1	5.4	8.1
113	38	Barrett (Henry) 10p α	64	-1	5.65	1.9	11.8	5.8
263	120	Barry Wehm'r 5p α	186	.....	t6.5	3.4	4.7	6.9
£21¼	£13¾	Baxter Int'l Inc. $1	£19¼	-⅛	Q74c	-	2.3	-
69	32½	Baynes (Charles) 10p α	69xd	.....	tg1.2	3.0	2.3	19.1

For Beaverco see Headway

1991 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
48	22	♦Beckenham Grp. 5p α	25	.....	t3.0	1.4	‡	5.8
8	8	[illegible] 10p	8	.....	m0.2	-	3.3	-
*14½	6½	Beeson Group 2½p α	14½	+1	-	-	-	47.2
*488	292	Bespak 10p β	488	+11	8.0	2.6	2.2	21.5
195	73	Betterware Cons.10p β	193	.....	hd2.33	2.8	1.6	29.2
*175	106	Bibby (J.) 50p β	174	.....	t9.0	2.0	7.0	8.8
92	50	♦Bilston &B'sea10p β	56	.....	t3.0	0.3	‡	-
100	80	Billam (J.) 10p β	85xd	.....	4.04	2.8	6.3	7.2
*81	37	Bimec Inds.5p α	80	-1	g1.5	3.5	2.5	15.4
*147½	55	Bioplan Hldgs 10p β	64	.....	ga0.08	4.5	0.2	-
41	23	Black Arrow 20p β	36	.....	2.1	1.5	7.8	11.8
140	108	Black (P) Hldgs β	135	.....	2.84	3.2	2.8	14.7
66	26	♦Bluebird Toys 10p β	35	.....	-	-	-	-
358	211	Bodycote Intnl β	358	+3	t8.75	3.0	3.3	13.0
18	11	Bogod Grp A 10p β	18	.....	0.64	4.5	4.7	6.3
445	304	Boots α	428	-6	11.6	2.0	3.7	17.5
40	22	Boustead 10p α	27	+½	‡1.65	1.4	‡	9.2
708	432	Bowater £1 α	693	+5	21.0	2.2	4.0	13.8
147	99	Do. 7.75% Cv.Pf.£1 y	144	+1	7.75	-	7.2	-
192	130	♦Boxmore Intl 10p β	192	.....	6.4	2.7	4.4	9.5
160	80	Braithwaite £1 α	139	-2	4.4	2.4	4.2	12.2
246	169	Brammer 20p α	240	.....	13.0	1.0	7.2	16.9
55	36	♦Brandon Hire 10p β	43	.....	3.33	0.1	10.9	-
49	26	Bridgend Group 10p α	43	.....	1.2	2.1	3.7	12.9
149	83	Bridon	130	.....	8.0	1.6	8.4	9.9
68	43	Bridport-G 20p α	66	.....	t3.8	0.4	8.0	(64.8)
45	26	Brierley Invs 50c	35	.....	Q9c	♦	9.1	♦
664	393	Brit. Aerospace 50p α	416xd	+6	¶25.0	3.7	8.2	4.0
110¼	83	Do. 7.75p (Net) Pf y	85	.....	7.75	-	12.2	-
66	35	♦Cassidy Bros 10p β	49	.....	1.5	3.0	4.1	11.0
75½	46	♦Cathay Pacific	72	.....	Q42c	2.5	4.5	8.8
11⅝	2¾	Caverdale 1p	6¼	.....	-	-	-	-
49	26	Celestion 20p	46	.....	1.2	2.4	3.5	(13.3)
554	402	Charter Cons 2p α	528	-8	21.0	2.1	5.3	11.8
108	65	♦Chieftain Grp 5p β	104	.....	4.6	1.4	5.9	15.3
56	32	Chillington Cpn β	33	-1	2.75	0.3	11.1	-
171	101	♦China Light HK$5	152	+1	Q72c	2.5	3.7	10.9
253	142	Christies Int'l 5p α	174xd	.....	8.3	1.6	6.4	11.9
82¼	43	Claybithe 10p β	43	.....	M2.5	0.3	7.8	55.6
106	5	♦Clearmark 5p	5	.....	-	-	-	3.9
31	5½	♦Colorgen Inc. 1c β	31	.....	-	-	-	-
34	14	♦Comac Group 5p	27	.....	-	-	-	-
*220	148	Community Hospital £1 α	211xd	.....	6.0	♦	3.8	♦
21	4	♦Co. of Designers 5p β	4	-1	s0.25	-	‡	-
56	31	Cont. Station'y 10p α	42	.....	4.0	♦	12.7	♦
*143	84½	Cookson 50p α	126	-1½	tg6.0	0.3	6.3	-
63	33	♦Copymore 5p	68	.....	t2.5	2.0	5.6	12.1
178	117	Cornwell Parker "A" 5p β	178xd	.....	5.5	♦	4.1	♦
3	1½	♦Corporate Serv 2p α	2¼	.....	-	-	-	-
168	116	Cosalt	128	.....	10.75	1.8	11.2	6.6
507	300	Courtaulds α	479	-1	12.0	2.5	3.3	13.2
42	4	Courtney Pope 50p β	18	.....	B‡3.75	-	‡	-
23	8	Cowan de Grt. 10p β	10	.....	‡1.25	-	‡	-
505	415	Crean (J.) Units y	416	.....	kQ18.7%	5.8	5.6	-
225	140	♦Creighton Naturally 20p β	185	.....	6.2	1.6	4.5	19.0
42	28	CrestaL Hldgs. 10p α	36xd	.....	2.0	3.7	7.4	4.0
£272	£173	Daimler-Benz DM50	£248	.....	Q32%	-	2.6	-
196	120	Danka Bus. Syst 5p β	186	.....	3.0	6.1	2.2	8.1
117	78	♦Darby Group 5p β	117	+3	3.3	1.8	3.8	(17.0)
*124½	81	Dart Group 10p β	120	.....	g3.0	2.7	3.3	14.0
50	16	♦Davies (D.Y.) 5p β	16	.....	-	-	-	-
165	111	Davis Service α	160xd	+1	7.98	1.8	6.7	11.4
*116½	53	Dean & Bowes 5p β	54	.....	g6.0	1.7	14.8	5.1
469	305	De La Rue α	454	-1	13.75	2.0	4.0	13.9
16	5	Delaney 10p	7	.....	-	-	-	-
18	12	Dinkie Heel 5p β	14	.....	0.95	1.6	9.3	8.5
302	194	Diploma 5p β	297	-5	8.5	2.5	3.8	13.9
89½	53½	Dobson Park 10p α	89	.....	5.75	1.4	8.6	10.7
155	81	Dolphin Pack 5p β	155	+2	t4.3	2.2	3.7	13.3
£26	£19¼	Dover Corp. US$1	£22½	-⅛	Q84c	-	2.2	-
138	107	Dyson (J. & J.) β	109	.....	5.0	1.5	6.1	14.4
71	53	Do. 'A' β	71	.....	5.0	1.5	9.4	9.4
478	335	ECC α	463xd	-11	a19.6	1.0	5.6	19.1
33	11	♦EFG β	16	.....	‡1.25	-	‡	-
*405	254	EIS α	405	.....	tg11.4	2.2	3.8	14.3
87	62	EMC 5p β	78	.....	a1.07	0.7	1.8	-
£22	£8¼	♦Elan Corp IrQ 04.	£22	.....	-	-	-	-
27	13	Elbief 10p	19	.....	0.5	-	3.5	-
74	36	Elcco 10p β	60	.....	4.6	♦	10.6	♦
£27¼	£14⅞	Electrolux BKr25	£25	-⅛	Q50%	1.0	4.5	22.8
108	65	Elga Group 5p β	106	.....	2.5	2.5	3.1	13.3
£16¼	£9¼	Elkem AS NK50	£9½	+¼	-	-	-	-
11¼	7¼	Elswick 5p α	9½	.....	0.6	1.7	8.4	(8.5)
16	8	♦Emess Energy Grp. 5p β	11	.....	-	-	-	-
52	30	♦Ensor Hldgs 10p β	31	.....	1.25	1.5	5.4	16.8
86	37	Erskine House Group α	70	+2	6.65	1.9	12.7	5.0
62	33	Do 7¼pc Cv Pf 20p y	53	-2	7¼%	-	18.2	-
1709	870	Esselte AB SKr12½	1321	.....	Q42%	8.7	3.7	3.1
169	78	Eurocopy 5p α	96	+3	4.0	3.2	5.6	7.4
68	39	Excalibur Group α	54	.....	1.8	3.7	4.4	7.3
*184	134	Expamet Int'l β	153xd	+2	g10.38	1.1	9.0	14.0
243	125	Faber Prest β	240	+1	12.0	2.7	6.7	7.4
143	106	Fenner α	110	-1	8.55	1.5	10.4	7.8
2¼	1¼	♦Ferromet Grp 1p α	2¼	.....	0.05	3.5	3.0	11.5
515	345	Fisons α	469	+3	t7.5	3.0	2.1	17.9
86	58	Fitzwilton Ir25p y	76	.....	kQ14.7%	2.1	5.8	11.0
144	90	Fletcher Challenge NZ$0.5	116	+1	Q27c	2.0	8.4	6.0
125	70	Fiorello C. & W	125	.....	s43.34	-	‡	-
235	175	Fogas IR£0.10 y	215	.....	kQ104.4%	3.0	4.4	10.5
17	3	♦Forwell Grp 10p β	6	.....	t0.38	-	‡	-
55	35	French (Thos.) 10p β	54	.....	3.63	0.2	9.0	-
28	19	♦G.C.F. Group 10p β	19½xd	.....	sq2.0	-	13.7	-
117	88	G.R. Hldgs 5p β	88	.....	2.15	3.8	3.3	10.3
240	138	Gestetner α	194	-1	t8.1	3.7	5.6	5.3
103	61	Gieves Grp. 20p β	85	.....	3.0	-	4.7	-
1396	800	Glaxo 50p α	1395	+7½	28.0	q1.8	2.7	23.4
109	73	Goode Durrant 5p α	95	.....	5.4	1.6	7.6	10.7
203	116	Grampian Hldgs α	202	-1	5.0	2.0	3.4	19.3
*208	132	Granada α	162	-3	s7.0	2.4	5.8	9.9
*90	65	Do 7.5p Cv Prf 10p y	83	.....	7.5	-	12.6	-
240	185	♦Gt Southern 10p β	239xd	.....	t8.5	1.7	4.7	15.2
153	100	♦Green (E) & Part 5p β	147	.....	7.0	♦	6.5	♦
9	4½	♦Greenacre Grp 1p β	7	-½	0.23	1.6	4.3	19.3
45	4	Growenwood Secs α	4	.....	t2.5	1.2	‡	(1.1)
188	93	♦Halleigh Ind. Grp. 50p β	93	-8	6.5	2.3	9.3	6.0

INDUSTRIALS (Miscel.)—Contd.

1991 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
206	153	Macfarlane Grp β	205	-½	t4.03	2.8	2.6	18.1
98	70	Magnolia Group 10p β	94xd	.....	5.4	2.3	7.7	7.7
909	685	Manpower Inc. 1c	685	-23	-	-	-	-
93	73	Marling Ind. 10p β	90	.....	4.2	0.8	6.2	(31.0)
88	19	♦Mayborn Group 5p β	88xd	.....	t3.6	2.2	5.8	(8.8)
33	18	Mayflower Crp. 5p β	31	.....	-	-	-	22.1
176	73	Medeva 10p α	175½xd	-½	t0.75	3.6	0.6	53.5
94	46	Melville Group 10p α	47	.....	3.2	♦	9.4	♦
166	130	♦Metsec 10p β	139	.....	6.4	2.6	4.8	8.0
21	9	Mia & Allied Spn 12½p α	19½	.....	-	-	-	-
177	128	MITIE Group 50p β	175	.....	2.0	6.0	1.5	12.3
587	490	Mitsubishi Crp Y50	584	-3	Q16%	♦	0.6	♦
*283	190	Morgan Crucible α	275	.....	tq12.4	1.5	6.1	12.9
*120	85½	Do. 7.5pc Cnv Rd Pf £1 y	120	+2	7.5	-	8.3	-
310	221	Mosaic Invs. 10p β	269	-1	9.25	3.4	4.6	8.4
50	23	♦MMW Computers α	35	.....	0.5	2.3	1.9	30.5
92	66	Mentor-BNA 10p α	67	.....	t3.15	2.1	6.3	9.5
149	90	Nobo Group 10p α	92	.....	6.6	♦	9.6	♦
163	85	Norcros α	158	-2	7.0	1.1	5.9	19.7
*£44	£29¼	Novo Nordisk "B" Kr20	£43¾	+1¼	gQ20%	6.2	0.8	20.1
563	349	♦Nu-Swift 5p β	358	.....	t18.0	2.1	6.8	8.0
£155	£87½	OCE 9pc Cnv 1987-92	£155	.....	Q9%	-	5.8	-
76	54	OMI International 5p β	73	.....	5.21	0.7	9.5	19.4
40	21	Office & Elect. β	38	.....	0.1	-	0.4	-
20	17	♦Ormalech 1p	17½p	.....	-	-	-	-
128	87	Oriflame Intl β	87	.....	Q12%	1.1	13.8	6.6
140	95	♦PCT Grp 10p β	139	.....	t6.4	2.3	6.1	9.7
128	63	PFG Hodgson Kenyon 10p α	63xd	.....	t3.6	2.2	‡	7.9
77	53	♦Pacer Sys. $0.01 β	68	.....	Q6½c	3.0	5.8	5.8
256	183	Pacific Dunlop A$50c	235	-3	Q21c	♦	4.2	♦
45	26	Page (Michael) Grp 2p α	44½	.....	1.8	2.2	5.4	10.9
395	312	Pat'son. Zoch. 10p β	395	.....	t9.45	2.7	3.2	13.6
385	308	Do. 'A' N/V 10p β	385	.....	t9.45	2.7	3.3	13.3
10½	3½	♦Pathfinders Grp. 5p α	7½	.....	-	-	-	-
330	245	♦Penna 5p β	290	.....	11.25	2.9	5.2	8.9
114	43	Pentland Group α	114	+5	t0.75	5.0	0.9	23.7
46	27	Petrocon 12½p α	33	.....	1.25	2.7	5.1	8.7
265	160	Photo-Me 2½p β	255	+11	4.2	♦	2.2	♦
210	147	Pilkington 50p α	148	-1	10.5	0.9	9.5	(18.8)
68	35	♦Plastiseal 5p β	45	.....	3.0	2.2	8.9	6.8
3¼	2¼	Platignum 5p α	2½	.....	B-	-	-	-
35	25	♦Plaxon Int. β	28	.....	-	-	-	41.9
29	17	Polymark 10p β	28	.....	1.0	8.1	4.8	2.7
121	90	Do. Cnv Cr Rd Prf A 80p y	119	.....	12½%	-	11.2	-
396	249	Portals Group α	375	-3	t13.0	2.0	4.7	12.7
83	57	Porter Chadburn 5p α	79	.....	6.24	2.9	4.3	10.8
*50½	16	♦Porth Group 20p β	16	.....	tq2.0	-	‡	-
226	185	Portmeirion Potts. 5p β	226	+3	t7.35	3.0	4.3	9.7
351	259	Powell Duffryn 50p α	317	.....	22.6	1.2	9.5	11.1
128	80	♦Proteus Intl β	104	.....	-	-	-	-
426	262	Proudfoot (A.) β	415xd	-4	19.0	2.1	6.1	9.0
342	235	RCO 10p β	342	+2	t10.5	2.3	4.1	14.2
7½	4½	♦RMT 5p	4½	.....	-	-	-	-
130	70	♦RPS Group 3p β	77	.....	3.2	2.9	5.5	8.2
110	70	Radiant Metal β	103	.....	-	-	-	-
74	45	♦Ramco Oil Servs. 10p α	67	.....	2.0	1.3	4.0	24.9
779	562	Rank Org α	691	-2	31.0	1.2	6.0	(17.4)
113	84	Do. 8¼p Cv Pf 20p y	105	.....	8¼%	-	10.5	-
741	485½	Reckitt & Colman 10p α	693	-2	t13.6	2.8	2.6	15.8
164½	120	Reckitt & Col 9.5pc Cv Cnp y	157½	+1	Q9½%	-	6.0	-
*103	76	Record Hldgs 5p β	98xd	+1	3.6	2.7	4.9	10.5
14¼	10	Reece 5p α	13½	.....	m0.1	-	1.0	24.3
72	34	Reed Exec 2p β	72	.....	0.6	0.9	1.1	-
279	147	♦Reliance Sec Grp 5p β	279	+1	8.4	2.3	4.0	14.4
147	117	Relyon β	145	.....	4.9	2.0	4.5	15.0
10	2	♦Select Appointments 1p α	5	-1	1.2	-	-	-
568	362	Serco Group 2p β	562	.....	t11.0	2.7	2.6	19.2
239	138	Seton Healthcare Grp 10p β	239	+1	3.7	2.7	2.1	18.0
319	213	Shanks & McEwan 10p α	234	.....	5.48	1.9	3.1	17.9
59	46	♦Shaw (Arthur) 10p β	59	.....	4.1	0.7	9.3	20.9
87	75	♦Sheldon Jones β	75	.....	a4.73	2.2	8.4	7.3
100	63	Shiloh β	90	.....	s2.63	1.6	3.9	11.1
213	126	Sidlaw Group β	212	.....	t8.0	1.6	5.0	17.1
551	289	Siebe α	547	+1	16.5	2.4	4.0	12.3
194	80	Silentnight 10p α	194	+1	7.0	2.4	4.8	11.3
83	65	Sime Darby M$0.5	69xd	.....	Q15½c	♦	4.9	♦
85	48	Silvermines 2½p α	76	.....	sQ25%	0.9	6.6	23.4
283	223	Sinclair (Wm.) β	269	+4	tq6.3	2.4	3.1	15.7
121	65	Sketchley α	128	+1	-	-	-	-
139	95½	Smith & Neph. 10p α	138	-2	t4.35	1.7	4.5	15.5
845	589	SmithKline Beecham A α	759	+1½	t14.0	2.6	2.5	17.7
3813	1790	Do. Equity Units α	3328	-5	tQ73.8c	2.4	3.1	15.5
296	210	Smiths Inds α	267	-3	t9.9	2.6	4.9	10.2
53	30	Sonic β	52	.....	1.0	-	2.6	-
875	538	Sotheby's Hldgs Inc Cls A 10c	780	.....	Q95c	-	8.0	-
104	61	Southern Bus Grp 10p α	79	-1	t2.56	4.0	4.3	7.1
340	230	♦Spandex 10p β	340	.....	t5.5	4.3	2.2	13.9
272	230	Spear (J.W.)	232	.....	t8.0	2.1	4.6	13.0
144	62½	Spring Ram 10p α	141	.....	th0.24	22.5	0.2	25.9
106	66	Stag Furniture β	105xd	.....	t5.5	1.6	7.0	11.6
45	25	♦Stainless Metal	25	.....	1.0	-	5.3	-
152	119	Sterling Inds. 2½p β	124	.....	5.6	1.4	6.0	15.0
29½	18	Stonehill Hlds α	20	.....	B-	-	-	-
£36⅞	£21¼	Stora 'B' Free Sk 25	£29¼	-⅛	Q52%	1.8	4.0	14.3
28	3	Stormgard £1 α	5⅛	.....	-	-	-	-
138	83	Suter 5p β	138	.....	8.8	1.5	8.5	10.4
178	103	Swallowfield 5p β	165	.....	6.1	2.6	4.9	10.4
172	98	♦Swire Pac A 60c	167	+1	Q80c	1.7	3.7	15.9
26	19	Sycamore Hldgs	21	.....	-	-	-	-
77	64	♦Sykes-Pickavant 10p β	67	.....	5.75	0.9	11.8	12.0
215	175	Syltone β	215	.....	9.0	2.2	5.6	9.9
*194½	141	T&N £1 α	164	+3	¶10.85	0.7	8.8	23.8
43	18	♦TLS Range 5p β	29	.....	t1.8	2.0	‡	(7.0)
194	90	TT Group α	188	+1	t5.0	2.3	3.5	13.4
174	127	Takare β	165	+4	t1.08	6.5	0.9	19.2
16	2½	Tamaris 10p α	3	.....	-	-	-	-
38	13	Do 8½pc Pf 2003 £1 y	15	.....	8.5%	-	-	-
88	71	[illegible] 10p	71	.....	4.0	2.0	7.5	8.7
27	26½	Third Mile Inv	27xd	.....	-	-	-	-
77	67	♦Tinsley (Eliza) 5p β	67	.....	5.2	1.4	10.3	9.4
70	40	♦Titon 10p β	70	.....	2.99	1.8	5.7	12.8
110	70	Tollgate R50c	95	.....	tQ40c	-	24.8	-
415	213	Tomkins 5p α	414	+4	9.86	2.6	3.2	12.8
194	95	Do 5.6pc Cnv Cv Pf £1 y	198	+2	5.6%	-	3.9	-
160	87	Do 6¼pc Cnv Pf 20p y	157	+1	6¼%	-	5.3	-
210	185	Toye	218	.....	8.0	2.7	5.1	9.7
*261	169	Trafalgar Hse. 20p α	244	+2	18.4	0.8	10.1	(19.5)
252	217	Do. A α	233	+1	-	-	-	-
6	3¼	Transfer Technology 1p α	4½	.....	0.2	2.6	5.9	8.1
5	1	♦Tubular Edg'ton 1p α	1¼	.....	-	-	-	0.2
257	191	UDO Hldgs 10p α	257	+3	t4.59	4.5	2.4	12.2
187	111	UniChem 10p α	187	.....	t4.5	2.5	3.2	16.4
31	14	Unigroup 15p α	22½	.....	-	-	-	♦
799	656	Unilever 5p α	797	+2	18.16	2.5	3.0	13.7
£50⅞	£43⅛	Unilever NV F14	£49⅛	+⅛	Q131¼%	2.8	3.2	11.4
110	86	Utd. Uniform Services 5p β	107	.....	1.5	5.2	1.9	8.2
272	157	Vinten Grp. 20p β	271	+1	t6.2	2.6	3.1	14.0
81	61	WSP Hldgs. 5p β	70	.....	t2.9	3.1	5.5	7.8
71	39	Walker Greenbank 15p α	52	+1	3.1	1.8	7.9	9.6
250	165	Warner Howard 5p β	249	.....	5.2	2.7	2.8	16.3
197	124	Wassall 5p α	197	.....	t2.5	4.3	1.7	17.1
38	18½	Waterford Wedgwood 5p α	36	.....	-	-	-	-
75	49	Waterman Part'ship 10p β	61xd	.....	2.0	♦	4.4	♦
761	404	Wellcome α	750	-4	t6.5	3.1	1.2	31.0
19½	8	Welpac 7p β	19	.....	-	-	-	-
5¼	1½	West Industries 5p α	2¼	.....	-	-	-	-
16	9	Westerly 10p	9	.....	t2.5	-	‡	-
202	52	Western Capital A50c	63	-5	-	-	-	-
480	373	Whatman 5p β	440xd	.....	t7.75	3.7	2.3	14.2
*199	121	Whitecroft β	137	.....	g10.0	1.1	9.7	14.8
13	6½	Widney 4p α	9	.....	-	-	-	-
179	94	Wilkes (J.) α	159	.....	t10.0	2.2	8.4	6.9
55	8	Williaire Group 20p α	8	.....	-	-	-	-
56	37	Do. Cv Cm Rd Pf 2p y	42	.....	8%	-	25.4	-
375	206	Williams Hldgs α	342½	+1½	t12.0	1.5	4.7	(17.4)
148	89	Do. 8p Cv Pf 10p α	126½	+¼	8.0	-	8.4	-
162	87	Do 5⅝pc Cv Pf £1 α	149	+2	5.63%	-	5.0	-
9½	2½	Williams (J.) α	3½	+¼	0.5	-	20.5	-
16	5	Wills Group β	7	.....	-	-	-	2.7
11¼	4½	Wilshaw 5p α	10½	.....	0.3	3.5	3.9	9.5

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LEISURE – Contd

1991 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PROPERTY – Contd

1991 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INVESTMENT TRUSTS

1991 High	Low	Stock	Price	+ or −	Div Net	Y'ld Gr's	NAV	Dis or Pref %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INVESTMENT TRUSTS – Contd

1991 High	Low	Stock	Price	+ or −	Div Net	Y'ld Gr's	NAV	Dis or Pref %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FINANCE, LAND, ETC – Contd

1991 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

WATER

1991 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OIL AND GAS

1991 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PLANTATIONS

1991 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Rubbers, Palm Oil

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Teas

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MINES

Central Rand

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Eastern Rand

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Far West Rand

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

O.F.S.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Diamond and Platinum

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Central African

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Finance

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MINES – Contd

Australians

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Tins

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Miscellaneous

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NOTES

Stock Exchange dealing classifications are indicated to the right of security names: ● Alpha refers to shares traded through SEAQ by at least two marketmakers and with a normal market size of 2,000 or more, based on experience of how many of its shares are traded in the topical deal. β Beta refers to all other shares.
γ Gamma refers to other traded instruments.
Highs and lows are based on intra-day mid prices. Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated by half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation and including exceptional profits/losses but including estimated extent of offestiable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 25 per cent and allow for value of declared distribution and rights.
Estimated Net Asset Values (NAVs) are shown for investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm +) to the current pre-closing share price. The NAV basis assumes zero for warrants at par value, convertibles converted and warrants exercised if dilution occurs.

● "Tap Stock"
* Highs and lows marked thus have been adjusted to allow for rights issues for cash
‡ Interim since increased or resumed
‡ Interim since reduced, passed or deferred
‡ Tax-free to non-residents on application
♦ Figures or report awaited
♦ Not officially UK listed; dealings permitted under rule 535(4)(a)
♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
♣ Not officially listed.
♣ Price at time of suspension
¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
♦ Merger bid or reorganisation in progress
♦ Not comparable
♦ Same interim; reduced final and/or reduced earnings indicated
§ Forecast dividend; cover based on earnings updated by latest interim statement.
‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
♦ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
♦ No par value

N.Fr. Belgian Francs. Fr. French Francs ♦♦ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Annualised dividend. b Figures based on prospectus or other official estimates. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1990-91. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1991. K Dividend and yield based on prospectus or other official estimates for 1990. L Estimated annualised dividend, cover and P/E based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1991-92. N Dividend and yield based on prospectus or other official estimates for 1989-90. P Figures based on prospectus or other official estimates for 1991. Q Gross. R Forecast annualised dividend, cover and p/e based on prospectus or other official estimates. T Figures assumed. W Pro forma figures. Z Dividend total to date.
Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

[illegible]	[illegible]	[illegible]	[illegible]

IRISH

[illegible]	[illegible]	[illegible]	[illegible]

TRADITIONAL OPTIONS

3-month call rates

Industrials	p	Industrials	p	Industrials	p
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Property

[illegible]	[illegible]

Oils

[illegible]	[illegible]

Mines

[illegible]	[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TEXTILES

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOBACCOS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TRANSPORT

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MOTORS, AIRCRAFT TRADES

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Commercial Vehicles

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Components

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Garages and Distributors

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SHOES AND LEATHER

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SOUTH AFRICANS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FINANCE, LAND, ETC

1991 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Net asset values supplied by County NatWest Wood Mackenzie as a guide only.

FT MANAGED FUNDS SERVICE

● Current Unit Trust prices are available on FT Cityline. Calls charged at 48p per minute peak and 36p off peak, inc VAT. To obtain your free Unit Trust Code Booklet ring (071) 925-2128.

AUTHORISED UNIT TRUSTS

Abbey Unit Tst Mngrs (1000)H
80 Holdenhurst Rd, Bournemouth 0345 717373

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
High Income						
Gilts & Fixed Int	6	117.0	117.0xd	124.2	+0.1	9.26
High Inc Equity	6	137.2	140.7xd	149.6	+0.2	5.68
Worldwide Bond	6	211.1	211.1	223.7	-0.2	6.71
Capital Growth						
American Growth	6	200.8	200.8	214.7	+0.4	1.02
Asian Pacific	6	118.1	120.5	128.1	-0.1	1.23
Assets & Earnings	6	187.2	191.2	203.3	+0.6	2.85
Capital Reserve Acc	0	109.48	109.48	109.56	+0.07	6.93
Capital Reserve Inc	0	86.53	86.53	86.60	+0.06	6.93
Comdty & Energy	6	72.94	72.94	78.01	-0.37	1.90
1992 Enterprise	6	66.79	66.79	71.43	-0.02	3.07
Euro Capital Acc	6	87.78	87.78	93.88	-0.06	1.44
Euro Capital Inc	6	83.86	83.86	89.68	-0.06	1.45
General	6	178.6	178.6	191.0	+0.5	2.62
Japan	6	101.9	103.1xd	109.6	+0.6	0.00
Mastertrust	6	92.06	92.06	98.45	+0.13	2.60
UK Growth Acc	6	176.7	176.7	188.9	+0.4	2.40
UK Growth Dist	6	112.4	112.4xd	120.2	+0.4	2.44
US Emerging Cos	6	71.70	73.02	77.68	+0.43	0.00
Income & Growth	6	315.2	315.2	337.1	+0.3	4.15
Ethical	6	54.36	54.36	58.13	+0.32	2.68
International	6	62.58	63.45	67.49	+0.29	1.30
Dividend & Growth	6	51.15	52.39	55.73	+0.09	5.38
Global Grth & Sec	6	52.83	53.10	56.48	+0.16	1.77

Aberforth Unit Trust Managers Ltd (1600)F
16 Chester St, Edinburgh EH3 7RA 031 220 0733

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
UK Small Cos	0	1112.0	1112.0	1171.0	--	0

Abtrust Unit Trust Managers Ltd (1200)H
10 Queens Terrace, Aberdeen AB9 1QJ 0800 833580

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Amer Inc & Growth	5¼	30.01	30.01xd	31.83	-0.24	2.49
Cash	-	50.33	50.33xd	50.33	+0.01	9.87
European	5¼	70.09	70.09	74.38	-0.19	0.30
European Income	5¼	72.44	72.85xd	76.86	-0.30	1.59
Exempt	1	801.6	801.6xd	825.1	-5.5	4.95
Extra Income	5¼	40.81	40.81xd	44.23	+0.14	5.60
Far East Emerg Econs	5¼	46.88	46.88	50.24	-0.25	1.28
Fund Inv Tst	5	117.4	118.7xd	126.7	-0.1	1.36
Fund Inv Tst Acc	5	189.9	192.1xd	205.0	-0.1	1.34
Gilt & Fixed Int	5¼	16.39	16.68xd	17.81	+0.06	11.13
Japan	5¼	160.6	160.6	170.3	+0.8	0.00
Pacific	5¼	35.59	35.59	37.94	-0.12	0.40
Property Share	5¼	50.69	52.32	55.85	-0.17	4.49
UK Growth	5¼	35.66	35.66xd	38.42	-0.45	3.62
World Growth	5¼	48.80	48.80	52.08	-0.06	0.00

Acorn Unit Trust Managers Ltd (1100)F
1 White Hart Yd, London Bridge SE1 1NX 071-407 5966

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Ethical Tst	5	106.2	106.2	114.3	-0.70	1.43
Ethical Tst Acc	5	109.8	109.8	118.2	-0.70	1.43

Acuma Fund Managers Ltd (1000)F

Bishopsgate Progressive Mgmt Co (1200)H
15 St James' Place, London SW1A 1NW

	Init Charge	Canc. Price	Bid Price	Offer Price
Progressive Inc	5	£18.53	18.53	19.56
Progressive Acc	5	£27.92	27.92	29.47
International Inc	5	£19.44	19.44	20.52
International Acc	5	£26.38	26.38	27.84
Can & Foreign Inc	5	229.6	229.6	242.3
Can & Foreign Acc	5	274.4	274.4	289.6
Special Sits Inc	5	206.5	206.5	217.9
Special Sits Acc	5	224.3	224.3	236.7
PEP Inc	5	137.4	141.2	149.0
PEP Acc	5	146.7	150.7	159.1
Growth Inc	5	81.09	81.09	85.58
Growth Acc	5	81.92	81.92	86.46

Brewin Dolphin Unit Tst Mgrs Ltd
5 Giltspur St, London EC1A 9DE

	Init Charge	Canc. Price	Bid Price	Offer Price
Dolphin Special Sits	5¼	123.8	123.8	132.4
Dolphin Dividend	5¼	61.03	61.03	65.27
Dolphin Int Inc & Gilt	5¼	158.6	158.6	169.6
Dolphin UK & Gen	5¼	35.03	35.14xd	37.60
Dolphin Fund of Funds	5¼	47.80	49.95	53.42

Britannia Life Unit Managers Ltd
190 West George St, Glasgow G2 2PA

	Init Charge	Canc. Price	Bid Price	Offer Price
Balanced Growth	6	80.17	80.17xd	85.74
Do (Accum)	6	86.02	86.02	92.00
Service Cos	6	69.68	69.68	74.53
Do (Accum)	6	73.31	73.31	78.40
Income Growth	6	44.32	44.32	47.40
Do (Accum)	6	62.40	62.40	66.73
Higher Yield	6	33.22	33.22xd	35.53
Do (Accum)	6	42.56	42.56	45.51
American Gth Inc	6	32.74	32.74	35.02
Do (Accum)	6	33.36	33.36	35.68
European Growth	6	25.05	25.05xd	26.79
Do (Accum)	6	25.90	25.90	27.70
Global Bond Inc	6	23.12	23.18	24.79
Do (Accum)	6	26.72	26.79	28.65
Managed P'folio Inc	6	25.75	25.83xd	27.63
(Do Accum)	6	25.75	25.83	27.63

Brown Shipley & Co Ltd (1000)F
9-17 Perrymount Rd Haywards Hth 0444 4122

	Init Charge	Canc. Price	Bid Price	Offer Price
Mngd P'folio Inc	6	83.60	83.60	89.03
Mngd P'folio Acc	6	154.3	154.3	164.3
UK General	6	122.3	122.3	130.2
Conv & General	6	17.91	17.91xd	19.07
European Inc	6	20.62	20.62xd	22.19
European Acc	6	21.07	21.07	22.68
Exempt	3	-	-	-
Financial	6	101.9	101.9xd	108.5
Foundation	6	63.92	65.53xd	69.79
German	6	35.94	35.94	38.53
Growth Inc (S-1)	5	24.56	24.56	26.22
Growth Acc (S-1)	5	27.55	27.55	29.41
High Income	6	63.33	63.33xd	67.45
Income	6	98.64	98.64xd	105.6
Intl Income	6	84.85	84.85	90.36
Intl Growth ♦	6	28.22	28.22	30.37
Monthly Income	6	60.07	62.09	66.13
North American	6	76.40	77.02	82.03
Orient ♦	6	97.43	97.43	104.9
Recovery	6	32.85	32.85	34.99
Smaller Cos Acc	6	200.8	200.8	213.9
Smaller Cos Inc	6	120.9	120.9	128.8

Manulife Management Ltd (1200)H
St George's Way, Stevenage Dealings 071-256 5858

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Growth Units	5¼	138.9	138.9xd	149.2	-0.3	1.74
Gilt & Fxd Int	5	151.6	151.6xd	159.5	-0.1	7.94
Intl Growth	5¼	147.2	147.2	157.9		0.42
North American ♥	5¼	96.50	96.50	103.4	-0.1	0.34
Far East	5¼	117.0	117.0	124.7	+0.1	0.48
UK Smaller Cos	5¼	110.8	110.8	117.8	-0.2	2.69
European	5¼	53.09	53.09	56.55	-0.02	1.16
Japanese Growth	5¼	37.97	37.97	40.52	+0.33	0.00
Managed P'folio	5¼	50.12	50.48	53.71	+0.14	1.54
High Income	5¼	152.6	152.6xd	163.2		6.12
High Yielding Gilt	5¼	61.64	61.64	64.87		9.61
Cash		52.03	52.03	52.03	+0.01	9.04

For Geoffrey Morley see Commercial Union

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often well above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♣) - 1101 to 1400 hours; (♦) - 1401 to 1700 hours; (♠) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point, a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation,
Centre Point,
103 New Oxford Street, London WC1A 1QH
Tel: 071 – 379 – 0444.

FT MANAGED FUNDS SERVICE

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	Init Charge	Canc Price	Bid Price	Offer Price	+ or -	Yield Grs
Sovereign Unit Tst Mngrs Ltd (1000)F						
12 Christchurch Rd, Bournemouth 0202 298422						
Cash	2	51.24	51.24	51.75	+0.01	10.6
Capital Primrose	5½	48.82	49.09xd	52.36	+0.08	0.28
Dividend	5½	50.73	51.67xd	54.99	+0.11	4.57
European Growth	5½	46.88	46.88	50.00		3.5
Income	5½	48.52	49.02	52.29	+0.06	7.25
Intl Growth	5½	64.21	64.68	68.99	+0.06	3.27
Managed	5½	59.42	60.10	64.11	+0.02	4.32
UK Growth	5½	53.05	53.66xd	57.23	-0.07	5.28
Standard Chartered Equitor (1200)F						
69 Old Broad Street, EC2M 1QS 071-280 6821						
Mngd Exempt Acc	3	199.3	201.6	209.9	-0.1	2.95
Do Income	3	190.2	192.3	200.3	-0.1	2.95
Standard Life Tst Mgmt Ltd (0629)H						
3 George St, Edinburgh EH2 2XZ 0800 393777						
Balanced Acc	5½	36.72	36.72	39.02	+0.3	2.40
UK Equity Gth Acc	5½	49.08	49.96	53.09	+0.4	1.98
UK Eq High Inc Inc	5½	34.79	35.53xd	37.76	+0.2	5.13
Euro Equity Gth Acc	7½	311.7	315.8	342.7	+1.6	4.31
UK Large Cos Inc F	7½	251.0	256.2xd	278.9	+1.2	4.31
Gilt & Fixd Int Inc	5½	27.49	27.50xd	29.09	+0.1	8.19
O'seas Larg Dis Acc F	7½	213.6	217.7	236.3	+1.5	2.13
Nth American Acc	5½	34.52	34.72	36.89	+0.2	0.71
Far East Acc	5½	41.40	42.45	45.11	+0.5	0.28
European Acc	5½	33.52	35.21	37.42	+0.1	1.77
Stewart Ivory Unit Tst Mgrs Ltd (1200)H						
45 Charlotte Sq, Edinburgh 031-226 3271						
American	5	295.2	296.2	315.3	+1.1	1.34
(Accum Units)	5	345.3	345.3	368.9	+1.3	1.34
British	5	833.8	838.8	888.5	+2.2	5.39
(Accum Units)	5	1369.9	1379.7	1459.8	+3.7	5.39
European	5	324.5	324.5xd	345.5	-1.2	1.52
(Accum Units)	5	351.7	351.7	374.5	-1.3	1.52
Japan	5	117.2	117.2	124.5	+0.6	–
(Accum Units)	5	118.1	118.1	125.4	+0.6	–
New Pacific	5	165.0	165.0	175.7	-0.2	1.98
(Accum Units)	5	169.4	169.4	180.4	-0.2	1.98
PEP Oct 2	5	146.0	148.1	156.8	+2.8	0.58
Mngd Equity	5	126.4	126.4	133.8	+0.7	3.45
Mngd Equity Acc	5	132.2	134.1	141.9	+0.7	3.45
Mngd Cash	5	95.40	95.40xd	99.26	+0.6	10.28
(Accum Units)	5	115.3	116.3	118.7	+0.7	10.28
Majority Stdg	1	99.43	99.43xd	100.42	+0.71	10.05
Majority Stdg Acc	1	106.29	106.29	107.34	+0.76	10.05
Storebrand Intl Inv Mngrs Ltd (1200)F						
Admin: 5 Rayleigh Rd, Hutton, Brentwood, Essex						
Enquiries: 0277 227300 Dealing: 0277 261010						
International Oct 1	0	51.00	51.00	51.53		3.45
Sun Alliance Unit Tst Mngmt Ltd (1200)F						
Sun Alliance House, Horsham 0403 56293						
Equity	6	626.3	633.6	677.7	+0.4	3.02
North America	6	76.93	76.93	82.28	+0.03	1.06
Far East	6	90.05	90.05	96.30	+0.10	0.97
Worldwide Bond	6	47.03	47.03xd	50.03	+0.08	6.15
European	6	66.30	66.30xd	70.91	-0.12	1.18
Equity Income	6	72.77	73.72	78.84	-0.01	5.08
Portfolio	6	58.51	58.51	62.58		1.85
Sun Life of Canada Unit Mgrs Ltd (1000)H						
Basingview, Basingstoke, Hants 0800 525725						
American Growth	6	25.42	25.42xd	27.19	(z)	0.62
Managed Assets	6	105.52	106.13	113.51	(z)	3.72
UK Income	6	33.76	34.23	36.62	(z)	4.51
UK Growth	6	32.81	33.21	35.52	(z)	3.21
Worldwide Growth	6	24.63	24.63	26.35	(z)	1.04
Sun Life Trust Mngmt Ltd (1200)H						
101, Cannon St, London EC4N 5AD						
Admin & Enq: 071-606 4044 Dealing: 071-606 6010						

	Init Charge	Canc Price	Bid Price	Offer Price	+ or -	Yield Grs
TSB Selected Opps	6	80.67	80.67xd	85.81	-0.9	2.64
Do Accum	6	98.73	98.73xd	105.85	-1.0	2.64
Environmental Inv	6	49.65	49.65	52.81	-0.4	2.06
Do Accum	6	51.87	51.87	55.18	-0.4	2.06
TSB Selector	6	50.66	51.38	54.87	-0.02	3.68
Do Accum	6	52.91	53.87	57.3	-0.02	3.68
TSB High Income	6	51.97	52.71	56.07	-0.05	6.0
Do Accum	6	55.12	55.91	59.47	-0.06	6.0
TSB Intl Income	6	51.46	51.87	55.18	+0.06	6.14
Do Accum	6	55.17	55.62	59.16	+0.06	6.14
TSB Selector Income	6	52.4	53.04	56.42	-0.02	5.85
Do Accum	6	53.75	54.4	57.87	-0.03	5.85
Target Trust Mngrs Ltd (1200)F						
The Exchange, 66 High St, Aylesbury, Bucks, HP20 1SE						
Admin: 0296 394000 Dealing: 0296 312156						
American Eagle	5	77.89	77.89	83.28	+0.14	1.06
Australia	5	6.779	6.779	7.280	-0.01	1.66
Equity	5	170.6	170.6	183.0	+0.1	4.44
Euro Opps Sits	5	116.0	116.0	123.5		0.70
Financial	5	29.51	29.51xd	31.63	-0.10	4.72
Global Opps Inc	5	69.33	69.33	74.24	+0.09	1.44
Global Opps Acc	5	70.84	70.84	75.85	+0.09	1.44
Gold & Gen Inc	5	37.48	37.48	40.25	-0.10	1.03
Gold & Gen Acc	5	70.43	70.43	75.68	-0.13	1.03
Income	5	107.3	107.3xd	115.1	-0.1	6.24
Japan & General	5	131.9	131.9	141.2	+0.2	0.00
Preference Share	5	19.49	19.49xd	20.94	-0.01	10.44
UK Capital	5	93.97	93.97	100.9	-0.1	3.73
World Income	5	68.40	68.40xd	73.26	+0.01	4.53
Worldwide Capital	5	175.5	175.5	187.9	+0.1	2.43
Templeton Unit Trust Managers Ltd (1200)F						
Abbott Crescent, Edinburgh EH3 8HA 031 228 9932						
Global Growth Acc	6	126.39	126.75	135.56	-0.24	2.58
Global Growth Inc	6	118.76	119.09	127.37	-0.23	2.58
Global Balanced Acc	6	125.14	125.19	133.89	-0.06	3.94
Global Balanced Inc	6	114.35	114.40	122.35	-0.05	3.94
Value Tst Acc	6½	87.37	88.53	94.68	+0.05	3.24
Value Tst Inc	6½	82.70	83.79	89.62	+0.05	3.24
Intl Pen & Ch Inc	2	108.61	108.61	111.93	-0.53	2.99
Intl Pen & Ch Acc	2	100.50	100.50	105.51	-0.99	2.99
For Thornhill see BSI-Thornhill						
Thornton Unit Managers Ltd (1000)F						
33 Cavendish Sq., London W1M 0DH 071-493 7262						
Dealing 071-493 8545						
Third Counties Asset Mngmt Ltd (1430)F						
Chilbert House, Tower Road, Washington NE37 2SH 091 415 3034						
Balanced Portfolio	6	97.89	98.85	105.77	-0.14	3.45
Cash Deposits		104.84	104.84	104.84	+0.02	9.14
Timberlake Trust Mngrs Ltd (0900)F						
1 White Hart Yard, London SE1 1NX 071-407 5966						
Portfolio	2	95.12	97.09	99.08	+0.57	2.96
For Touche Remnant see Soc Gen Touche Remnant						
Trades Union Unit Tst Mngrs (1200)H						
MEA Tower, Addiscombe Road, Croydon 081-686 4355						
TUUT	5	263.9	264.4xd	283.9	+1.0	3.51
For Tyndall see Aegis						
United Charities Unit Trusts (1000)H						
Unicorn Hse, 252 Romford Rd, E7 081-534 5544						
United Charities	5	207.3	209.4	223.4	-0.2	4.85
Wardley Unit Tst Mngrs Ltd (1535)F						
3 Harbour Exchange Sq, London E14 9GJ 071-955 5050						
American	5¼	75.18	75.18	80.40		1.32
Income	5¼	130.8	130.8	139.8		5.60
UK Growth	5¼	154.2	154.2	164.9		5.02
Waverley Unit Tst Mngmt Ltd (1000)F						
13 Charlotte Sq, Edinburgh 031-225 1551						
Australasian Gold	6	9.14	9.14	9.72	(z)	0.5
Pacific Basin	6	25.61	25.61	27.24	(z)	0.6
Can Balcd Gwth	6	32.79	32.79	34.88	(z)	0.1
Global Bond	4	0.988	0.988	1.0291	(z)	7.88
Premp Share	6	20.18	20.18	21.46	(z)	0.5
Wessex Asset Management (1600)F						
27 Jewry St, Winchester, Hants SO23 8RY 0962 869960						
Wessex UK Gwth	6	123.83	123.83	134.54	+0.47	2.40
Whittingdale Unit Tst Mgmt Ltd (0830)F						
2 Honey Lane, London EC2V 8BT 071-600 0462						
Gwiltfunger	2	69.58	69.58	71.21	-0.03	0.00
Short Dtd Gilt	1½	92.72	92.72	93.92	+0.03	2.84
US Govmt Bond	1½	0.6599	0.6599	0.6684	+0.0003	0.00
Gilt Income	4	47.90	47.90xd	49.84	+0.01	9.32
Gilt Growth	4	56.08	56.08	58.35	+0.02	0.00
City Reserve	0	55.33	55.33	55.33	+0.01	10.25
For Wright Seligman see Chartered Asset Mangt						
Woolwich Unit Trust Managers Ltd (1700)H						
1 White Oak Square, Swanley BR8 7AG 0705 388046						
Stockmarket Fd	5	54.98	55.14	58.65	-0.01	3.14

OTHER UK UNIT TRUSTS

	Bid Price	Offer Price	+ or -	Yield Grs
Funds in Court*				
Capital Sep 19	509.13	512.89		2.39
Gross Sep 19	188.71	190.23		10.25
High Yield Sep 19	298.04	300.44xd		7.32
* Restricted to monies under Court control				
Henderson Unit Trust Management Ltd				
Pensions Mngd	53.8	54.93xd	+0.03	3.62
INVESCO MIM Management Ltd				
Exempt Funds				
Intl Mngd P'Folio	1197	1290		–
Mngd Pens (Acc)	71.7	76.4		–
Lazard Brothers & Co. Ltd				
Property Sept 5	£2,480.0	2,680.0	+5.00	6.00
Inc Gth Prp Apr 16	£1,355.0	1,480.0		7.20
Lazard Investors Ltd ‡‡				
Exempt Funds				
Small Co's Oct 3	£3920.0	4092.6	+19.10	3.98
European Oct 3	£541.0	546.7	-0.60	2.08
American Oct 3	£352.9	356.4	+2.90	2.28
Japan Oct 3	£522.4	528.5	+4.60	1.23
Pacific Oct 3	£138.2	141.7	+0.60	1.95
W Midlands Aug 30	£144.50	161.30		2.48
Local Authorities Mutual Invest. Tst.*				
2 Fore Street, London EC2Y 5AQ 071-588 1815				
Property Aug 31	193.20	205.20		7.39
Equity Aug 31	915.40	928.20		3.82
* Available only to Local Authorities				
M & G Securities Ltd				
Charibond Sept 30	104.59		+0.3	10.31
(Accum Units)	601.01		+1.8	10.31
NAACIF Oct 1	43.64		+0.3	9.01
Morgan Grenfell Unit Trust Managers Ltd				
Exempt Funds				
UK Equity † Oct 1	130.5	139.6		3.67
UK Small Co † Oct 1	546.4	584.4		3.38
Fixed Interest † Oct 1	111.6	117.4		8.50
US Small Co Oct 1	159.6	170.7		0.00
Managed Oct 1	109.5	117.0		3.37
Intl Bond Oct 1	115.8	122.2		10.51
Japan Oct 1	75.42	80.67		0.36
European Oct 1	87.45	93.57		1.58
Nth American Oct 1	108.7	116.9		1.36
Murray Johnstone UT Mngmt				
Murray Exempt Funds				
Amer Expt Oct 2	52.14	54.22	-0.18	1.99
Euro Expt Oct 2	51.29	53.80	-0.81	2.02
Fixed Int Ex Oct 2	47.82	49.00	+0.37	9.83
Japan Expt Oct 2	47.33	49.22	-0.70	0.74
Managed Ex Sept 26	46.99	48.88		4.11
SE Asia Expt Oct 2	71.99	75.58	+1.34	3.25
Sm Cos Expt Oct 2	37.27	39.14	+0.67	3.46
UK Eqty Ex Oct 2	44.64	46.88	+0.29	3.56
Phillips & Drew Fund Management Ltd				
Small Co's Sept 4	704.9	740.0		4.43
Do Accum	806.4	846.8		4.43
Int Expt Sept 26	181.1	184.10		2.16
UK Index Sept 4	1240.0	1254.0		4.68
Do Accum	1347.0	1362.0		4.68
Convertible Sept 27	96.87	100.52		8.30
World ex UK Index Sept 24	792.8	802.4		1.82
Do Accum	792.8	802.4		1.82
Japan Index Sept 24	595.1	604.5		0.57
Do Accum	597.2	606.6		0.57
USA Index Sept 24	999.7	1006.0		2.96
Do Accum	1038.0	1039.0		2.96
European UK Index Sept 17	885.5	900.2		2.59
Do Accum	915.5	930.6		2.59
Pacific ex Jap Index Sept 24	957.4	983.4		3.48
Do Accum	1008.0	1035.0		3.48
Managed Exempt Sept 26	109.1	110.99		4.88

INSURANCES

	Bid Price	Offer Price	+ or -	Yield Gross
Allied Dunbar Assurance Plc				
Allied Dunbar Ctr, Swindon SN1 1EL 0793 514514				
Life Funds				
Fixed Int. Dep. Acc.	321.8	338.8	+0.1	–
Equity Acc	1046.4	1101.5	-0.1	–
Property Acc	487.4	513.1		–
Far East Acc	202.2	212.9	+0.2	–
European Acc	25.5	26.9	-0.1	–
Managed Cap	435.6	458.6	-0.1	–
Managed Acc	814.4	857.3	-0.2	–
O'seas Earnings Acc	727.5	765.8	-1.2	–
Gilt Edged Acc	372.5	392.2		–
American Equity Acc	548.5	577.4	-0.9	–
American Man Acc	244.3	257.2	-0.3	–
American Prop Acc	124.2	130.8	-0.3	–
Bon 4				
Fixed Int Dep Acc	26.8	28.3		–
Equity Acc	27.4	28.9		–
Property Acc	23.3	24.6		–
Far East Acc	23.5	24.8		–
European Acc	21.5	22.7		–
Managed Acc	27.2	28.7	-0.1	–
Overseas Acc	28.2	29.7		–
Gilt Acc	28.9	30.5		–
Am Equity Acc	27.1	28.6		–
Am Managed Acc	26.5	27.9		–
Am Property Acc	21.5	22.7		–
Pension Funds				
F.I. Dep. Cap	355.5	374.3		–
F.I. Dep. Acc	660.2	695.0	+0.2	–
Prop. Cap	508.1	534.9	-0.1	–
Prop. Acc	1043.6	1098.6	-0.1	–
Man. Cap	908.6	956.5	+0.5	–
Man. Acc	1866.4	1964.7	+1.1	–
Gilt Edged Cap	364.6	383.8	-0.1	–
Gilt Edg Acc	610.6	642.8		–
Eq. Cap	1492.5	1571.1	+1.2	–
Eq. Acc	2321.7	2443.9	+2.0	–
Am. Eq Cap	185.2	195.0	-0.6	–
Am. Eq Acc	242.3	255.1	-0.9	–
Far East Cap	220.5	232.2	+0.3	–
Far East Acc	288.7	303.9	+0.4	–
Euro Cap	29.1	30.7		–
Euro. Acc	34.3	36.2		–
B.S. Cap	413.4	434.1	+0.1	–
B.S. Acc	746.0	783.4	+0.3	–
D.A.F. Cap	318.8	318.8	+0.1	–
D.A.F. Acc	512.6	512.6	+0.2	–
Mortgage Cap	190.6	200.7		–
Mortgage Acc	249.6	262.8	+0.1	–
Baring Funds				
Pen Equ Cap	32.4	34.2	+0.1	–
Pen Equ Acc	36.6	38.6	+0.1	–
Pen Am Eq Cap	36.1	38.1	+0.1	–
Pen Am Eq Acc	40.8	43.0	+0.1	–
Pen Far East Cap	29.3	30.9	+0.1	–
Pen Far East Acc	33.1	34.9	+0.1	–
Pen Euro Cap	39.7	41.8		–
Pen Euro Acc	44.8	47.2		–
James Capel Funds				
Pen Equ Cap	30.0	31.6	+0.1	–
Pen Equ Acc	33.9	35.7	+0.2	–
Pen Am Eq Cap	31.6	33.3	+0.3	–
Pen Am Eq Acc	35.7	37.6	+0.4	–
Pen Far East Cap	30.6	32.3	+0.3	–
Pen Far East Acc	34.5	36.4	+0.2	–
Pen Euro Cap	33.7	35.5	-0.1	–
Pen Euro Acc	38.0	40.1		–
American Life Insurance Co UK				
2-8 Altyre Road, Croydon CR9 2LA 081-680 6000				
Life Funds (Accumulation Units)				
Premier Managed	154.7	163.0	+0.5	–
Alpha Managed	100.2	105.6	(z)	–
MICA Managed	95.8	100.7	+0.1	–

	Bid Price	Offer Price	+ or -	Yield Gross
Century Life Plc				
2 Eyre Street Hill, London EC1R 5AE 071-278 4488				
City Of Edinburgh Life Assurance				
Life Funds				
Far East Emerg Econ.	36.3	38.1	-0.2	–
Fund of Inv Tsts	61.2	64.3		–
Money	154.0	161.7		–
Special Situations	86.8	91.2	-1.1	–
UK Growth	131.3	137.9	-1.7	–
World Growth	122.5	128.6	-0.2	–
Pension Funds				
Fund of Inv Tsts	137.2	144.0	-0.1	–
Special Situations	128.4	134.9	-1.6	–
UK Growth	219.2	230.2	-2.8	–
World Growth	151.5	159.1	-0.2	–
UK Life Assurance				
Managed	105.8	111.3	-0.6	–
Property	132.8	139.8	-0.2	–
Equity	135.8	143.0	-1.3	–
International	90.1	94.9	-0.1	–
Fixed Interest	126.6	133.3	+0.4	–
Deposit	136.4	143.6		–
Langham "A" Plan	113.7	119.6		–
Langham Prop Bond	612.0	644.2		–
Langham Wisp Manage	173.2	182.3		–
Pension Funds				
Managed Capital	79.3	83.5	-0.7	–
Managed Accum	109.3	115.0	-0.9	–
Property Capital	105.2	110.7	-0.3	–
Property Accum	144.6	152.2	-0.3	–
Equity Capital	105.2	110.8	-1.4	–
Equity Accum	144.9	152.6	-1.8	–
Intl Capital	63.8	67.1	-0.1	–
Intl Accum	87.7	92.4	-0.1	–
Fxd Int Capital	101.3	106.6	+0.3	–
Fxd Int Accum	139.3	146.6	+0.5	–
Deposit Capital	119.4	125.6		–
Deposit Accum	164.4	173.0		–
Langham Harvest	284.2	299.1		–
Citibank Life				
Perrymount Road, Haywards Heath 0444 414111				
Managed Ser 1	279.4	294.1		–
Equity Ser 1	412.2	433.9		–
Smaller Co's Ser 1	226.7	238.6		–
Recovery Ser 1	122.5	128.9		–
Property Ser 1	223.2	234.9		–
International Ser 1	302.8	318.8		–
European Ser 1	112.6	118.6		–
American Ser 1	154.4	162.6		–
Managed Ser 2	276.6	291.1		–
Equity Ser 2	410.2	431.8		–
Managed Acc Ser 3	117.7	120.1		–
Equity Acc Ser 3	122.6	125.1		–
Anglian Fund	113.5	119.4		–
Celebration Fund	101.5			–
Managed Pens Accum	389.6	410.1		–
Equity Pens Accum	590.7	621.8		–
Intl Pens Accum	430.1	452.8		–
Property Pens Accum	291.5	306.8		–
City of Westminster Assurance (z)				
PO Box 469, 500 Avebury Blvd, Milton Keynes MK9 2NU				
Current Series				
Property Fund	197.4	207.8		–
Secure Gwth Fund	324.6	341.7	+0.1	–
Managed Fund	458.2	482.4	+4.8	–
Equity Fund	270.7	285.0	+5.1	–
Pension Managed Fund	572.5	602.7	+5.3	–
Pension Equity Fund	278.7	293.4	+5.2	–
Pens Adventurous Mgd	231.8	244.0	+3.4	–
Pensions Balanced Mgd	223.5	235.3	+3.1	–
Pens Conservative Mgd	190.0	200.0	+1.7	–
Adventurous Mngd Fd	161.9	170.5	+1.4	–
Balanced Mngd Fd	186.4	196.3	+2.7	–
Conservative Mngd Fd	185.1	194.9	+2.1	–

	Bid Price	Offer Price	+ or -	Yield Gross
Eagle Star Life Assurance Co Ltd				
Bath Road, Cheltenham GL53 7LQ 0242 221 311				
Secure Fund	151.2	159.2		–
Blue Chip Fund	187.7	197.6		–
Performance Fund	182.6	192.3	-0.2	–
Adventurous Fund	166.4	175.2	+0.4	–
Blue Chip Fd (2nd Series)	118.5	124.8	-0.1	–
Performance Fd (2nd Ser)	115.9	122.0	-0.1	–
Adventurous Fd (2nd Ser)	122.3	128.8	+0.3	–
UK Pref & Fixed Int Fd	113.1	119.1	+0.2	–
UK Equity Fund	117.8	124.0	-0.1	–
Property Fund	100.1	105.4		–
Environmental Opps Fd	115.5	121.6	+0.2	–
European Fund	104.2	109.7	-0.2	–
North American Fd	130.6	137.5	-0.6	–
Oriental Opps Fund	111.5	117.4		–
Japanese Fund	108.8	114.6	+0.2	–
With Profits	98.0	103.2		–
Bristol & West Life Fd	103.4	108.9	+0.1	–
Pensions Secure	164.3	173.0		–
Pensions Blue Chip	162.5	171.1		–
Pensions Performance	125.2	131.8	-0.1	–
Pensions Adventurous	119.3	125.6	+0.3	–
Pensions With Profits	104.3	109.7		–
Pens UK Pref & Fxd Int	109.8	115.6	+0.1	–
Pens UK Equity	123.5	130.1		–
Pens Property	97.2	102.4		–
Pens Environmental Opps	124.3	130.9	+0.2	–
Pens European	106.3	111.9	-0.2	–
Pens Nth American	124.7	131.3	-0.5	–
Pens Oriental Opps	112.1	118.1		–
Pens Japanese	119.9	126.3	+0.3	–
Pens Unitized With Profits	155.3	163.4	+0.2	–
Bristol & West Pens Fd	107.4	113.1	+0.1	–
Eagle Star Insur./Midland Assur.				
60 St. Mary Axe, London EC3 071-929 1111				
Eagle/Mid. Units	219.3	227.3		4.13
Equitable Life Assurance Society				
Walton St, Aylesbury Bucks HP21 7QW. 0296 393100				
European	123.2	129.7	-0.2	–
Far Eastern	311.8	328.2	+0.7	–
Fd of Inv Tsts	233.9	246.2	-0.1	–
Gilt & Fixed Int	163.3	171.9	+0.1	–
High Income	272.2	286.5	-0.6	–
Intnl Growth	154.9	163.0		–
Managed	191.9	202.0		–
Money	155.5	163.7		–
North American	156.2	164.4	-0.3	–
Pelican	228.0	240.0	+0.5	–
Property	170.8	179.8		–
Smaller Companies	115.7	121.8	-0.1	–
Special Sits	216.8	228.2	-0.2	–
School Fee Managed	221.3	232.9	-0.2	–
Pension Funds				
European	118.4	124.6	-0.2	–
Far Eastern	357.3	376.1	+1.0	–
Fd. of Inv. Tsts	262.1	275.9		–
Gilt & Fixed Int	171.8	180.8	+0.1	–
High Income	322.9	339.9	-1.0	–
International Growth	159.6	168.0	-0.1	–
Managed	221.1	232.7	-0.2	–
Money	198.7	209.2		–
North American	159.7	168.1	-0.4	–
Pelican	254.1	267.5	+0.7	–
Property	184.2	193.9		–
Smaller Companies	121.8	128.2	-0.1	–
Special Sit	238.7	251.3	-0.3	–
Equity & Law				
Amersham Road, High Wycombe 0494 463463				
UK Equities	756.0	795.7		–
Higher Income	737.7	777.6	+0.6	–

	Bid Price	Offer Price	+ or -	Yield Gross
Guardian Royal Exchange				
Royal Exchange, EC3 071-283 7101				
Guardian Assurance				
Property Bonds	668.6	696.4		–
Choices Wth-Pfts Lp-Im	130.1	137.0		–
Choices Wth-Pfts St-Im	122.4	128.9		–
Choices Managed	157.6	165.8	-1.0	–
Choices Equity	162.6	171.2	-0.8	–
Freedom Wth Pfts Lmp-Im	106.3	111.9	+0.1	–
Freedom Wth Pfts Slm-Im	105.4	111.0	+0.1	–
Freedom Managed	96.0	101.0	-0.2	–
Freedom Equity	94.3	99.3	-0.2	1.69
GRE Linked Life Assurance Ltd				
Managed Initial	373.5	393.2	-1.5	–
Do. Accum	495.9	522.0	-2.0	–
Equity Initial	565.0	594.7	-3.7	–
Do. Accum	750.1	789.6	-4.8	–
Fixed Interest Acc	450.9	474.6	+1.4	–
International Acc	459.7	483.9	-0.9	–
Nth American Acc	158.4	166.7	+1.0	–
Pacific Acc	226.5	238.4	-4.6	–
European Acc	87.9	92.5	-0.7	–
Property Acc	214.2	225.5		–
Index-Linked Acc	162.5	171.0		–
Deposit Accum	239.7	252.3	+0.1	–
GRE Pensions Management Ltd				
Pens. Managed Initial	448.3	471.8	-2.0	–
Pens. Managed Acc	581.7	612.3	-2.5	–
Pens. Equity Initial	620.4	653.0	-3.7	–
Pens. Equity Acc	805.0	847.4	-4.7	–
Hearts of Oak Insurance Group				
Hearts of Oak House, 9 Princess Rd West, Leicester LE1 6TH 0533 549010				
HOBS Life Funds				
Property	60.8	63.2		–
Managed	252.4	268.3		–
Tax Exempt	124.9	132.3		–
Nova Mixed	102.1	108.5		–
Nova Property Series 2	100.1	106.4		–
Nova European	103.0	109.4		–
Nova Gilt Edged	101.4	107.7		–
A A Fund	192.9	192.9		–
LAMBAS Life Funds				
Equity	143.3	152.2		–
Equity Series 2	53.1	56.4		–
International	50.1	53.2		–
Deposit	60.2	63.9		–
HOBS Pension Funds				
Property Pension	60.8	63.2		–
Pension Managed	189.2	199.2		–
P P Managed	124.3	132.0		–
App Managed	61.0	64.2		–
Henderson Administration(z)				
3 Finsbury Ave, London, EC2 M2PA 071-638 5757				
UK Equity	321.3	339.2	+2.6	4.50
Fixed Interest	68.3	72.1	+0.2	10.50
N. America	258.6	273.0	+1.1	–
Far East	384.4	405.8	+2.3	–
Global Managed	333.2	351.7	+1.6	–
Deposit	196.6	207.0		–
Prime Res	136.7	143.9		–
European	190.5	201.1	-0.8	–
Pension Funds				
UK Equity	351.0	370.5	+2.6	–
Fixed Interest	219.8	232.0	+0.4	–
Special Sits	268.3	283.2	+1.3	–
N American	159.2	168.1	+0.6	–
Far East	317.8	335.5	+1.6	–
Managed	301.0	317.7	+1.4	–

	Bid Price	Offer Price	+ or -	Yield Gross
Legal & General – Contd.				
Unit Pensions				
Kingswood, Surrey, KT20 6TH 0737 370370				
Ex. Bldg. Soc. Linkd.	158.0	166.4	+0.1	–
Do. Accum	199.2	209.7	+0.1	–
Exempt Cash Init	280.7	295.5	+0.1	–
Do. Accum	447.2	470.8	+0.2	–
Exempt Eqty. Init	896.9	944.2	-0.5	–
Do. Accum	1428.6	1503.8	-0.9	–
Exempt Euro Init	159.3	167.7	-0.2	–
Do. Accum	195.2	205.5	-0.2	–
Exempt Far East'n Init	210.8	221.9		–
Do. Accum	258.2	271.8		–
Exempt Fixed Init	436.6	459.6	-0.2	–
Do. Accum	695.5	732.2	-0.3	–
Ex. Index Lnk. Gilt	129.3	136.2	-0.1	–
Do. Accum	175.9	185.2	-0.2	–
Exempt Intl Initial	201.7	212.4	+0.1	–
Do. Accum	288.2	303.4	+0.1	–
Exempt Mngd. Init	621.8	654.6	-0.3	–
Do. Accum	990.4	1042.6	-0.4	–
Exempt N. Amer. Init	175.5	184.8	-0.2	–
Do. Accum	215.0	226.4	-0.3	–
Exempt Prop. Init	267.4	281.5	+0.1	–
Do. Accum	425.9	448.4	+0.1	–
Sp. Deposit Init	213.4	224.7	+0.2	–
Do. Accum	301.7	317.6	+0.1	–
Index Fund Init	110.4	116.3		–
Do. Accum	128.7	135.5		–
Aggressive Growth Init	140.7	148.2		–
Do. Accum	155.1	163.3	-0.1	–
Liberty Life Assurance Co Ltd				
Station Rd, New Barnet 081-440 8210				
Sel Sec A	43.40	45.69		–
Managed	37.35	39.32		–
Equity	33.70	35.48		–
Blue Chip	51.85	54.58		–
Special Sits	33.63	35.41		–
International	44.33	46.67		–
European Fund	12.70	13.37		–
American	26.08	27.46		–
Pacific	40.69	42.84		–
Property	34.61	36.44		–
Fixed Yield	30.29	31.89		–
Indexed Linked Secs	15.26	16.07		–
Deposit	25.64	26.99		–
Life Association of Scotland				
113 Dundas St, Edinburgh EH3 5EB 031-550 5000				
LAS Investment Assurance				
Managed Fund	262.4	276.3	+0.6	–
UK Equity	445.2	468.7	+0.4	–
Property	282.5	297.4		–
Money Market	218.2	229.7		–
Fixed Interest	257.9	271.5	-0.4	–
Japan	307.6	323.8	+2.1	–
North America	117.4	123.6	-0.3	–
International	206.2	217.1	+0.5	–
European	185.4	195.2	-0.2	–
Far East	85.3	89.8	+0.5	–
Pension Funds				
Managed	181.7	191.3	+0.4	–
International	152.3	160.4	+0.5	–
Property	210.1	221.2		–
Money Market	208.9	219.9	+0.1	–
Fixed Interest	214.0	225.3	-0.3	–
UK Equity	302.1	318.0	+0.5	–
North America	117.4	123.6	-0.3	–
Japan	161.2	169.7	+1.1	–
European	204.2	215.0	-0.1	–
Far East	69.8	73.5	+0.4	–

	Bid Price	Offer Price	+ or -	Yield Gross
Manulife Group – Contd.				
Pension Fund Prices				
Managed Init		333.4		–
Do. Accum		493.3		–
Property Init		316.0		–
Do. Accum		468.5		–
Equity Init		419.3		–
Do. Accum		621.6		–
Gilt-Edged Init		266.0		–
Do. Accum		408.2		–
Guaranteed Init		208.2		–
Do. Accum		311.7		–
International Init		397.5		–
Do. Accum		601.9		–
Index Lk. Gilt Init		164.4		–
Do. Accum		248.7		–
Managed Ser 2	146.0	153.7		–
Property Ser 2	141.7	149.2		–
Equity Ser 2	139.8	147.2		–
Gilt Edged Ser 2	132.2	139.2		–
Guaranteed Ser 2	148.2	156.0		–
Intl Ser 2	134.0	141.0		–
Ind-Linked Ser 2	145.4	153.1		–
Merchant Investors Assurance Co Ltd				
Part of the MI Group				
91 Wimpole St, London W1M 7DA				
Administration 0272 266366				
Unit Prices 081 789 2945 or 0272 752297				
MI Managed Fd	57.0	60.0		–
MI Currency Fd	220.3	231.8		–
MI Environmental	48.2	50.7	+0.1	–
MI European Equity	54.7	57.5	-0.1	–
MI Far East Equity	302.0	317.8	+0.2	–
MI Gilt-Edged	416.3	438.2	+0.9	–
MI Income	54.9	57.7	+0.2	–
MI Index Linked Gilt	187.6	197.4	-0.1	–
MI Interest	322.4	339.3		–
MI International	384.4	404.6	+0.8	–
MI Intl Equity	396.8	417.6	+0.3	–
MI Nth Amer Equity	151.6	159.5	-1.2	–
MI Property	486.3	511.8		–
MI UK Fd	378.7	398.6	+1.0	–
MI UK Equity	258.7	272.3	+1.7	–
MI Baring Eastern	140.4	147.7	-0.1	–
MI Fidelity Fd	146.4	154.1	-0.1	–
MI Fid American	150.1	158.0	+0.1	–
MI Fid European	193.3	203.4	-0.2	–
MI Fid Int Spec Sits	175.0	184.2	-0.3	–
MI Fid Japan	131.0	137.8	+0.8	–
MI Fid Pacific	165.5	174.2	-0.1	–
MI Fidelity UK	148.7	156.5	-0.6	–
MI Fram Inc & Growth	206.7	217.5	+0.3	–
MI Fram Intl Growth	185.5	195.2	+0.7	–
MI Fram Japan & Gen	226.6	238.5	+1.2	–
MI Fram Recovery	213.2	224.4	+0.1	–
MI Gar Glob Inc & Gth	159.3	167.6	-0.7	–
MI Gar Gold & Intl Res	102.4	107.7	-0.9	–
MI Gar Pacific Gwth	147.1	154.8	-0.1	–
MI Gar Smaller Co's	196.3	206.6	-3.0	–
MI Henderson Fd	195.8	206.1	-0.1	–
MI Hen American	198.7	209.1	-0.2	–
MI Hen European	196.9	207.2	-0.4	–
MI Hen UK Income	221.0	232.6	-0.1	–
MI Mor Gren Euro Gwth	143.5	151.0	-0.5	–
MI Mor Gren Int Gth	125.4	132.0	-0.1	–
MI Per American Gth	231.8	244.0	+0.9	–
MI Per European Gth	164.1	172.7	-0.1	–
MI Per Far East Gth	220.6	232.2	+0.6	–
MI Per Intl Growth	178.4	187.7	+0.9	–
MI TSB Fund	190.2	200.2	-0.7	–
For contracts where only one price applies use the bid price shown above.				
Mercury Life Assurance Co Ltd				
33 King William St, London EC4R 9AS 071-280 2800				
Portfolio	62.5	65.7	+0.10	–
International	46.7	49.1	+0.10	–

	Bid Price	Offer Price	+ or -	Yield Gross
Black Horse Life Assurance				
Mountbatten Hse, Chatham, Kent. 0634 834000				
Life Funds–Series Two				
Managed Invest Fd	378.61	398.54	+1.80	–
Income Fund	608.31	640.33	+4.61	–
Extra Income Fd	555.42	584.66	+14.32	–
Worldwide Growth Fd	366.92	386.24	+0.49	–
Balanced Fd	523.22	550.76	+4.86	–
Smlr Co's & Rcvy Fd	514.90	542.00	+2.32	–
Intl Technology Fd	338.63	356.46	-1.68	–
Nth Amer & Gen Fd	290.47	305.76	+1.76	–
Energy Intl Fd	123.34	129.84	+0.98	–
Pacific Basin Fd	277.09	291.68	+2.98	–
German Growth Fd	169.66	178.59	+0.02	–
Japan Growth Fd	146.01	153.70	+1.29	–
UK Growth Fd	176.22	185.50	+3.97	–
Cont'l Eur Gwth Fd	86.38	90.93	+0.08	–
Nth Amer S.C. & Rcvy	176.27	185.55	+0.19	–
Property Fd	318.48	335.25	+0.06	–
Fixed Interest Fd	246.84	259.84	+1.47	–
Cash Fd	245.45	258.37	+0.04	–
Life Funds–Series One				
Managed Inv Fd	378.75	398.69	+1.80	–
Income Fd	608.52	640.55	+4.61	–
Life Funds				
Managed Fd	608.76	608.76	+2.76	–
Abtrust MEG	316.45	333.11	+2.00	–
Pension Funds				
Managed Pen Fd	162.14	170.68	+1.01	–
Fixed Int Pen Fd	132.07	139.03	+0.39	–
Property Pen Fd	164.05	172.69	+0.04	–
Cash Pen Fd	149.85	157.74	+0.04	–
UK Equity Pen Fd	150.12	158.03	+4.30	–
Nth Amer Pen Fd	133.58	140.62	+0.98	–
European Pen Fd	132.98	139.35	+0.10	–
Far East Pen Fd	97.31	102.44	+1.02	–
Britannia Life Assurance				
PO Box 37, Greenock, Renfrewshire 0475 888000				
Life Funds				
Managed Performance	114.7	121.4	(z)	–
Performance Plus	109.2	115.6	+0.4	–
With Profit Perform	137.2	145.2	+0.1	–
UK Opportunity	138.8	146.9	+1.2	–
European Opportunity	134.5	142.3		–
Nth American Opp	94.4	99.9	+0.2	–
Far Eastern Opp	122.9	130.0	+0.5	–
Overseas	119.6	126.6	+0.2	–
Gwth Prp Ser 1 Mar 6	164.3	173.0		–
Gwth Prp Ser 2	152.3	161.2		–
Fixed Interest	136.6	144.6	+0.1	–
Cash	136.5	144.4		–
Pension Funds				
Cash	136.4	143.6		–
European	141.4	148.8		–
Far Eastern	129.8	136.6	+0.5	–
Fixed	125.7	132.3	+0.1	–
Mixed	121.5	127.9	+0.4	–
Nth American	121.2	127.6	+0.3	–
Secure Income	130.9	137.8	+0.1	–
UK	117.3	123.5	+0.8	–
With Profit	122.6	129.1	+0.1	–
Managed Pens Oct 31	449.60	458.80		–
Britannia Life Ltd				
190 West George St, Glasgow G2 2PA 041-332 6462				
Equity Pen Acc	47.30	50.80		–
Building Soc Pen Acc	39.50	42.40		–
American Pen Acc	33.60	36.10	+0.20	–
European Pen Acc	25.60	27.50	+0.10	–
International Pen Acc	29.60	31.80	+0.10	–
Managed Pen Acc	28.70	30.80	+0.20	–
CCL Assurance Ltd				
74 Shepherds Bush Green, W12 8SD 081-740 7070				
Life Funds				
UK Equity	226	238.4	+4.8	–
American Equity	140.2	147.9	-0.5	–
Far East Equity	164	173	+2.9	–
Managed Fund Acc	410	432	+4	–
International Equity	213.1	224.7	+0.9	–
Gilt Edged	256.1	270.2		–
Money Fund	194.3	205	+0.2	–
CCL Henderson	187.3	197.6	+1.8	–
CCL Perpetual	221.2	233.3	+1.5	–
CCL Property	184.7	194.8	+0.5	–
Smaller Cos	210.8	222.4	+8.9	–
Perpetual Europgrowth	156.4	165	-1.1	–
Canada Life Group				
High St, Potters Bar, Herts, EN6 5BA 0707 51122				
Equity Gth June 29	217.6			–
Retirement May 6	727.4			–

	Bid Price	Offer Price	+ or -	Yield Gross
Clerical Medical Investments Group				
Narrow Plain, Bristol BS2 0JH 0272-290566				
Performance Pensions				
With-Profits (Reg)	148.5	156.4		–
With-Profits (Single)	148.5	156.4		–
Mixed	180.2	189.7	+0.2	–
Index Linked	129.1	135.9	-0.2	–
Cash	148.9	156.8	+0.1	–
Special Situations	102.9	108.4		–
International	129.5	136.4		–
Gilt & Fixed Int	127.7	134.5	-0.3	–
Property	110.6	116.5		–
UK Equity	178.9	188.4	+0.4	–
European	177.5	186.9	-0.7	–
North American	205.4	216.3	+0.2	–
Japan	110.7	116.6	+0.7	–
South East Asia	249.2	262.4	-0.8	–
Evergreen	91.8	96.7		–
Clerical Medical Managed Funds Ltd				
15 St James's Sq, London SW1Y 4LQ 071-930 5474				
Cash	311.3	311.3		–
Mixed	471.3	482.6		–
Fixed Interest	382.1	383.2		–
UK Equity	646.0	662.1		–
Property	207.8	218.2		–
Overseas	345.7	355.2		–
Index Linked	181.2	181.7		–
Stock Exchange	295.1	301.7		–
Aggressive	125.6	128.9		–
Defensive	116.4	116.6		–
Prices on September 18 Unit dealings on Wednesday.				
Colonial Mutual Group				
24 Ludgate Hill, London EC4P 4BD 071-248 9861				
CML (Unit Assurances)				
Key		190.84		–
Pacemaker		257.58		–
Cash	179.06	188.48		–
Equity	425.19	447.57		–
Fixed Interest	264.29	278.20		–
Managed	309.43	325.72		–
Property	285.05	300.05		–
CML (Pension Annuities)–Rainbow Plans				
Cash Cap	190.48	200.51		–
Cash Inv	249.34	262.48		–
Equity Cap	1174.01	1235.81		–
Equity Inv	1536.83	1617.73		–
Fixed Int Cap	297.33	312.99		–
Fixed Int Inv	389.22	409.72		–
Index Link Cap	172.76	181.86		–
Index Link Inv	226.15	238.06		–
Managed Cap	469.61	494.34		–
Managed Inv	614.74	647.11		–
Unity Pensions Funds				
Managed	129.41	136.23		–
Deposit	141.79	149.26		–
Combined Life Assurance Co				
15 Wheatfield Way, Kingston upon Thames, Surrey KT1 2PA. 081-546 7733				
Managed Fund (Cap)	134.7	141.7	+0.2	–
Managed Fund (Acc)	155.8	164.0	+0.3	–
Managed Pens Fd (Cap)	171.3	180.3	-0.1	–
Managed Pens Fd (Acc)	209.5	220.5	-0.1	–
Commercial Union Group				
St Helen's, 1 Undershaft, London EC3 071-283 7500				
Var Ann Oct 4		79.12	+0.04	–
Var (Acc) Sept 28		493.51	+1.79	–
Pens With Profit	141.8	149.3		–
Prime Series–Life				
Managed	288.2	303.4	+0.7	–
Reserve Managed	119.5	125.8	+0.2	–
Venture Managed	121.8	128.3	+0.8	–
UK Equity	354.5	373.2	+1.3	–
Intl Equity	200.5	211.1	+0.5	–
Property	176.6	185.9		–
Fixed Interest	181.8	191.4	-0.4	–
Index Ltd Gilt	136.6	143.8	-0.3	–
Cash	177.6	187.0		–
Investment Tst	181.2	190.8	+0.1	–
U/T High Yield	141.8	149.3	+0.7	–
U/T UK & General	136.8	144.1	+1.2	–
U/T W'wide Sp Sits Fd	92.5	97.4	+0.6	–
U/T Smaller Cos	63.5	66.9	+0.3	–
U/T Amer Gth Fd	140.8	148.3	+1.4	–
U/T Euro Gth Fd	142.6	150.2	+0.4	–
U/T Far East Gth Fd	124.2	130.8	+1.1	–
U/T W'wide Bd Fd	112.5	118.5	+0.1	–
Prime Series–Pensions				
Managed	426.6	449.1	-0.4	–
Reserve Managed	132.3	139.3	-0.1	–
Venture Managed	128.1	134.9	-0.2	–
UK Equity	564.8	594.6	-0.7	–
Intl Equity	267.3	281.4	-0.2	–
Property	218.9	230.5		–
Fixed Interest	216.1	227.5	-0.3	–
Index Ltd Gilt	144.8	152.5	-0.3	–
Secure Growth	211.0	222.2		–
Investment Tst	218.5	230.0	-0.2	–
Building Society Fd	137.1	144.4		–
Consolidated Life Assurance Co Ltd				
Paradise Rd, Richmond, Surrey TW9 1SQ 081-940 8343				
Equity	97.6	103.9	+1.0	–
International	95.6	100.9	+0.7	–
Managed	93.5	98.7	+0.6	–
Cornhill Insurance PLC				
57 Ladymead, Guildford 0483 301770				
Man Gwth (A&B) Oct 2	704.0	741.5		–
Fixed Int (A&B) Oct 2	214.0	225.5		–
Equity Fd (A&B) Oct 2	379.0	399.0		–
Money Fd (A&B) Oct 2	208.5	219.5		–
Property (A&B) Oct 2	228.0	240.5		–
N.AmerEqty(A&B) Oct 2	138.0	145.5		–
FarEastEq(A&B) Oct 2	233.5	246.0		–
IntTechEq(A&B) Oct 2	172.0	181.5		–
European Equity (B) Oct 2	137.0	144.5		–
Mngd Pens Fd Oct 1	142.5	150.0		–
Fxd Int Pen Fd Oct 1	133.0	140.5		–

	Bid Price	Offer Price	+ or -	Yield Gross
Friends Provident				
Castle Street, Salisbury, Wilts SP1 3SH. 0722 413366				
Life Funds				
Managed (Mixed)	223.5	235.3	+0.6	–
UK Equity	298.0	313.7	+1.5	–
Stewardship	254.7	268.2	+1.8	–
Overseas Equity	195.4	205.7	-0.1	–
North American	108.5	114.3	-0.7	–
Pacific Basin	103.3	108.8	+0.4	–
European	142.7	150.3		–
Property	191.9	202.1	+0.1	–
Fixed Interest	163.3	171.9	+0.1	–
Index Linked	128.1	134.9	-0.1	–
Cash	170.8	179.8		–
Deposit	117.4	123.6	+0.1	–
With Profit	142.4	149.9		–
Pension Funds (Accum Units)				
Managed (Mixed)	260.3	274.1	+0.7	–
UK Equity	330.4	347.8	+1.2	–
Stewardship	399.0	420.1	+3.2	–
Overseas Equity	233.7	246.0		–
North American	116.0	122.2	-0.8	–
Pacific Basin	106.7	112.4	+0.4	–
European	133.5	140.6		–
Property	196.2	206.6		–
Fixed Interest	223.9	235.7	+0.5	–
Index Linked	143.2	150.8	-0.1	–
Cash	230.3	242.5		–
Deposit	141.6	149.1		–
With Profit	164.6	173.9		–
UK Provident Funds				
Managed	160.8	169.2	+0.4	–
Pens Managed	174.4	183.5	+0.6	–
GT Unit Managers Ltd				
8th Floor, 8 Devonshire Sq, EC2 071-283 2575				
GT Plan Far East Fd	271.0	285.3	+1.1	–
GT Pln Wrldwde Fnd	301.7	317.6	+0.3	–
GT Pen Far East Fd	451.9	475.7	+2.4	–
GT Pen Worldwide Fd	367.4	386.8	+0.4	–
General Accident (z)				
2 Rougier Street, York YO1 1HR 0904 628982				
Managed	154.7	162.8	+0.4	–
Unitised With-Profit	104.8	110.2		–
UK Equity	211.6	222.7	+0.6	–
Fixed Interest	155.9	164.0	-0.1	–
Index-Linked	130.6	137.4	-0.1	–
Cash Deposit	152.0	159.9		–
Property	159.9	168.3		–
International	142.6	150.0	+0.3	–
American	119.1	125.3	+0.2	–
Japan	213.3	224.5	+1.4	–
Japan Smaller Co's	224.3	236.0	+1.9	–
European	137.1	144.2	+0.2	–
Pacific	138.4	145.6	-0.3	–
Convertibles	119.7	125.9	+0.2	–
Pen Man Acc	189.0	198.9	+0.6	–
Pen UK Equity Acc	245.9	258.7	+0.8	–
Pen Fixed Int Acc	180.3	189.7	-0.1	–
Pen Ind-Linked Acc	150.0	157.8	-0.1	–
Pen Cash Dep Acc	190.4	200.3		–
Pen Prop Acc	184.7	194.3		–
Pen Inter Acc	161.4	169.8	+0.4	–
Pen American Acc	132.3	139.2	+0.1	–
Pen Japan Acc	219.7	231.2	+1.7	–
Pen Jap Sm Co's Acc	256.9	270.3	+2.4	–
Pen European Acc	149.6	157.3	+0.2	–
Pens Pacific	147.3	154.9	-0.4	–
Pen Convertibles Acc	121.1	127.4	+0.3	–
Pen Bldg Soc Acc	140.9	148.2	+0.1	–
Pen Unsd With-Prof Acc	138.4	145.5		–
Pen All-Share Tracker	142.5	149.9	+0.2	–
General Portfolio Life Insce Plc				
General Portfolio House, Harlow, Essex 0279 626262				
Life Funds				
Portfolio Fd Acc	560.0	560.0	+0.5	–
Portfolio Inv. A	559.9	589.5	+0.6	–
UK Equity	324.5	341.7	+0.3	–
Far Eastern	194.5	204.8	+0.8	–
European	164.4	173.1		–
North American	147.4	155.2		–
Gilt Plus	163.1	171.8	+0.3	–
Sterling	161.2	169.7		–
Property	187.3	197.3	-0.3	–
Managed	240.4	253.1	+0.2	–
Int. Managed	210.1	221.2	+0.3	–
Framlington	154.7	162.9	+0.2	–
Perpetual	158.3	166.7	+0.9	–
Fidelity	150.7	158.7	+0.7	–
N.M. Rothschild	134.4	141.6	+1.1	–
Foreign & Colonial	131.0	137.9	-0.2	–
Berry	133.8	140.9	+0.6	–
Stewart Ivory	116.1	122.3	+0.3	–
CS Buckmaster & Moore	80.4	84.8	+0.5	–
Multi-Select Series 1	160.6	169.2	+0.3	–
Baring	97.7	102.9	+0.5	–
Pension Funds				
Pen UK Equity	418.7	440.9	+0.5	–
Pen Far Eastern	244.0	257.0	+1.2	–
Pen European	191.8	202.0	+0.1	–
Pen North American	169.7	178.7	+0.3	–

	Bid Price	Offer Price	+ or -	Yield Gross
Intl. Ser A	230.6	242.8	(z)	–
Dollar Ser A	170.5	179.5	(z)	–
European Ser A	312.0	328.5	(z)	–
Far East Ser A	220.9	232.6	(z)	–
Man Curr Ser A	188.4	198.4	(z)	–
Building Soc Ser A	219.3	230.9	(z)	–
Smaller Co's Ser A	87.1	91.7	(z)	–
Homeowners Friendly Society				
PO Box 94, Springfield Ave, Harrogate. 0423 567355				
HFS Managed Fd 1	136.0	143.2		–
HFS Managed Fd 3	143.1	150.6		–
HFS Tax Exmt Mngd Fd 3	148.6	156.5		–
HFS Green Chip	114.1	120.1		–
HFS Tax Ex Green Chip	104.0	109.5		–
Master Fund Exempt	95.0	100.0		–
Green Chip (2) Exempt	95.0	100.0		–
MIM Rupert Exempt	95.0	100.0		–
Master Fund	95.0	100.0		–
Green Chip (2)	95.0	100.0		–
MarketMaster Managed Savings Plan				
HFS Managed Fd 1	136.0	143.2		–
HFS Tax Exmp Mngd Fd 1	140.2	147.6		–
Ideal Insurance Co Ltd				
Moor Green Lane, Birmingham B13 8NG 021 449 4101				
Managed Fd	133.0	139.7	+1.3	–
Pensions Managed	132.8	139.5		–
Interlife Assurance Co Ltd				
149-151 High Rd, Chadwell Hth RM6 6PJ 081-597 7566				
Managed Fund	122.5	129.0	+0.4	–
Pension Mngd Fd	128.0	134.8	+0.6	–
Irish Life Assurance Co Plc				
Victoria St, St. Albans, Herts, AL1 5TF 0727 48181				
Global Mngd Ser 3	430.6	453.3		–
Global Equity Ser 3	489.3	515.1		–
Global Fxd Int Ser 3	392.2	413.9		–
Global Prop Ser 3	258.5	272.1		–
Global Cash Ser 3	183.9	193.6		–
Global Mngd Ser 4	114.9	120.9		–
Global Equity Ser 4	115.5	121.6		–
Global Fxd Int Ser 4	115.4	121.5		–
Global Prop Ser 4	122.1	128.5		–
Global Cash Ser 4	119.5	125.8		–
Universal Security	149.9	157.8		–
Universal Balanced	143.4	150.9		–
Universal Opprtny	154.0	162.1		–
Universal UK Equity	113.1	119.1		–
Universal Euro Equity	135.9	143.1		–
Universal N. Amer	169.2	178.1		–
Universal Japanese	145.8	153.5		–
Universal Pacific	138.4	145.7		–
Univ Intl Spec Sit	131.9	138.8		–
Univ Intl Fxd Int	158.0	166.3		–
Universal Property	102.1	107.5		–
Universal Cash	133.4	140.4		–
Guaranteed Managed	97.1	102.2		–
Managed Pen Ser 2	674.7	710.2		–
Equity Pen. Series 2	806.2	848.6		–
Gilt Edged Pen. Ser. 2	549.3	578.2		–
Property Pen. Ser. 2	303.0	318.9		–
Cash Pension Series 2	279.4	294.1		–
Security Man Pen Ser 3	143.4	150.9		–
Bal Man Pen Ser 3	703.3	740.3		–
Opp Man Pen Ser 3	132.3	139.3		–
UK Equity Pen Ser 3	788.3	829.8		–
Intl Equity Pen Ser 3	888.4	935.2		–
Fixed Int Pen Ser 3	549.3	578.2		–
Property Pen Ser 3	303.0	318.9		–
Deposit Pen Ser 3	279.4	294.1		–
Lancashire & Yorkshire Assce Society				
Moorgate Hall, Moorgate Rd, Rotherham 0709-829191				
Capital Secure	241.33	246.26		–
Balanced Portfolio	160.63	163.91		–
Unit Builder	117.43	119.83		–
Investor	160.53	163.81		–
Capital Builder	64.44	67.83		–
Laurentian Life plc				
Barnwood, Gloucester GL4 7RZ 0452 371371				
Life Funds				
Managed Ser 3 Acc	412.4	434.1	+0.4	–
Property Ser 3 Acc	474.3	499.3	+0.5	–
American Ser 3 Acc	281.0	295.8	-0.7	–
High Yield Ser 3 Acc	660.2	694.9	-1.4	–
Gilt-Edge Ser 3 Acc	343.7	361.8	+0.7	–
Money Ser 3 Acc	346.2	364.4		–
International Ser 3 Acc	287.0	302.1	+0.1	–
UK Equity Acc	351.7	370.2	+0.2	–
Japan Acc	168.4	177.3	+0.9	–
Index Link Gilt Acc	149.4	157.3		–
Henderson Acc	161.9	170.4	+0.7	–
Perpetual Acc	208.1	219.1	+0.4	–
Growth Ser 3 acc	499.7	526.0	+0.1	–
Active Growth	113.3	119.2	+0.4	–
European	107.8	113.5	-0.2	–
Far East	111.9	117.8	-0.1	–
Pension Funds				
Managed Retirement Acc	149.2	157.1	+0.1	–
Pens Property Acc	216.2	227.6	+0.4	–
Pens Gilt-Edge Acc	191.0	201.1	+0.5	–
Pens Index Link Acc	154.8	163.0		–
Pens Money Mkt Acc	189.0	199.0		–
Pens UK Equity Acc	373.6	393.3	-0.1	–
Pens International Acc	353.7	372.3	+0.1	–
Henderson Pens Acc	200.0	210.5	+1.0	–
Perpetual Pens Acc	280.5	295.3	+1.8	–
Woolwich Acc	246.5	259.5	+0.3	–

	Bid Price	Offer Price	+ or -	Yield Gross
High Yield Bond (Acc)	293.8	308.6	-0.9	6.21
Index-Linked Gt.Bd(Acc)	168.6	177.2		–
Internl Bond (Acc)	517.6	543.6	+0.8	–
Internl Inc Bond (Acc)	175.1	183.9	-0.1	–
Japan Bond (Acc)	235.2	247.1	+1.7	–
Japan Smaller Co (Acc)	214.2	225.0	+0.7	–
Managed Bond (Acc)	615.0	645.9	+1.4	–
Property Bond (Acc)	296.6	311.5		–
Recovery Bond (Acc)	526.7	553.1	-0.5	–
Smaller Co's Bond	132.5	139.3	+0.3	–
Pensions Funds				
American (Acc)	638.7	670.7	+4.0	–
Building Soc (Acc)	209.5	220.1	+0.1	–
Capital Growth (Acc)	104.0	109.3	-1.0	–
Deposit (Acc)	342.7	360.0	+0.2	–
European (Acc)	258.7	271.7	+2.3	–
European Div (Acc)	108.9	114.4	-0.1	–
Equity (Acc)	824.5	865.8	-2.7	–
Gilt (Acc)	502.5	527.8	+1.8	–
Gold (Acc)	78.90	82.90	+0.5	–
Index-Lnkd Gilt (Acc)	188.6	198.1	+0.2	–
International (Acc)	205.1	215.5	+0.4	–
Intl Inc (Acc)	203.5	213.7	-0.1	–
Japan (Acc)	240.4	252.5	+2.4	–
Managed (Acc)	588.8	618.4	+0.1	–
PPP Fund (Acc)	614.0	644.8	+1.9	–
Pacific (Acc)	511.7	537.3	+2.1	–
Property (Acc)	212.7	223.4		–
Recovery (Acc)	382.5	401.7	-0.6	–
UK Income (Acc)	213.1	223.9	-0.4	–
Personal Pension (Acc)		2516.6	+7.2	–
MGM Assurance (z)				
MGM House, Heene Rd, Worthing 0903 204631				
UK Equity Acc	262.2	276.0	+0.4	–
Special Situations Acc	123.8	130.4	+0.1	–
North American Acc	188.1	198.0	+0.2	–
Pacific Basin Acc	362.3	381.4	+0.1	–
Fixed Interest Acc	308.8	325.1	-0.8	–
Property Acc	200.9	211.5		–
Deposit Acc	177.9	187.3	+0.1	–
Managed Acc	260.5	274.3	+0.1	–
Intl Equity Acc	104.3	109.8	-0.2	–
Bonus Gwth Fd Acc	136.9	144.2		–
European Acc	101.8	107.2	-0.1	–
Pension Funds				
Pens. UK Equity Acc	312.4	328.9	+0.6	–
Pens. Spec. Sits. Acc	121.9	128.4	+0.2	–
Pens. Nth American Acc	222.9	234.7	+0.2	–
Pens. Pacific Basin Acc	445.7	469.2	+0.1	–
Pens. Fixed Int. Acc	397.0	417.9	-1.2	–
Pens. Property Acc	249.2	262.4		–
Pens. Deposit Acc	239.7	252.4	+0.1	–
Pens. Managed Acc	337.4	355.2	+0.3	–
Pens Intl Equity Acc	106.3	111.9	-0.4	–
Pens European Acc	102.7	108.2	-0.2	–
Manchester Unity Assurance				
40 Fountain Street, Manchester M2 2AB 061 832 9361				
Equity	105.9	111.6		–
Fixed Interest	109.4	115.2		–
Money	119.8	126.1		–
Managed	108.2	113.9		–
Pension and Life Tax-exempt funds				
Equity	104.3	109.9		–
Fixed Interest	111.8	117.8		–
Money	131.6	138.6		–
Managed	108.8	114.6		–
Manulife Group				
St George's Way, Stevenage Enquiries 0438 356101				
Managed Ser 1 & 2	529.1	556.9		–
Managed Ser 3	98.0	103.2		–
Property Ser 1 & 2	443.7	467.1		–
Property Ser 3	84.7	89.2		–
Equity Ser 1 & 2	660.7	695.5		–
Equity Ser 3	103.4	108.8	-0.1	–
Gilt Edged Ser 1 & 2	461.8	486.1		–
Gilt Edged Ser 3	112.8	118.7	-0.1	–
Deposit Ser 1 & 2	284.4	299.4		–
Deposit Ser 3	115.2	121.3		–
Investment Ser 1	279.8	293.8		–
International Ser 1 & 2	407.3	428.7		–
International Ser 3	89.8	94.5		–

	Bid Price	Offer Price	+ or -	Yield Gross
Barings Mngd P'folio	107.8	113.5	-0.2	–
Do. Accum	112.2	118.1	-0.1	–
Fidelity Mngd P'folio	91.5	96.3	-0.5	–
Do. Accum	104.1	109.6	-0.5	–
Gartmore Mngd Fund	86.4	90.9		–
Do. Accum	118.4	124.6		–
Henderson Mngd P'folio	103.6	109.0	-0.1	–
Do Accum	140.3	147.7		–
MIM Brit Mngd P'folio	95.5	100.5	-0.6	–
Do. Accum	130.7	137.6	-0.9	–
Mor Gren Wrld Track	96.9	102.0	-0.4	–
Do. Accum	111.4	117.3	-0.5	–
Perpetual Mngd P'folio	103.6	109.0	-0.5	–
Do. Accum	141.9	149.4	-0.7	–
Schroder Mngd EEC	95.9	100.9		–
Do Accum	98.8	104.0		–
Cash Fund	121.8	128.2		–
Do. Accum	166.9	175.7		–
Exeter Cap Gwth	112.0	117.9	+0.4	–
Do. Accum	116.5	122.6	+0.4	–
Ivory Sime Brit Assets	118.1	124.3	+1.4	–
Do. Accum	122.8	129.3	+1.5	–
MIM Brit Exmpt Mngd	127.8	134.5	+0.2	–
Do. Accum	175.1	184.3	+0.3	–
MIM Brit Grt Eastern	78.4	82.5	-1.0	–
Do. Accum	90.2	94.9	-1.1	–
Nippon Warrant	25.7	27.1	-0.5	–
Do. Accum	28.5	30.0	-0.4	–
NM Life Assurance Ltd				
Enterprise House, Portsmouth 0705 827733				
Elite British	101.8	107.1	(z)	–
Elite European	98.2	103.3	(z)	–
Elite N American	92.6	97.4	(z)	–
Elite Orient	91.3	96.1	(z)	–
Elite Global Bond	101.9	107.2	(z)	–
Elite Olympus	96.2	101.2	(z)	–
Elite Growth	97.2	102.3	(z)	–
Elite Income	99.4	104.6	(z)	–
American	310.2	326.5	(z)	–
Australian	355.4	374.1	(z)	–
CCM Vanguard Mngd	540.6	569.0	(z)	–
Conscience	115.3	121.3	(z)	–
Deposit	291.7	307.0	(z)	–
Equity	120.3	126.6	(z)	–
European	392.0	412.6	(z)	–
Far Eastern Growth	182.9	192.5	(z)	–
Fixed Interest	418.6	440.6	(z)	–
Income Accum	617.3	649.7	(z)	–
Income Dist	415.1	436.7	(z)	–
International	248.2	261.2	(z)	–
Japan Smllr Co's	521.9	549.3	(z)	–
Managed	560.9	590.4	(z)	–
Property	361.5	380.5	(z)	–
Residential Property	112.0	117.8	(z)	–
Singapore & Malaysia	164.5	173.1	(z)	–
Smaller Companies	359.2	378.1	(z)	–
Special Sits	124.0	130.5	(z)	–
Tokyo	592.8	624.0	(z)	–
Universal Managed	113.6	119.5	(z)	–
UK Equity	485.1	510.6	(z)	–
US Smllr Cos	114.6	120.6	(z)	–
Pens AES Mngd	717.1	754.8	(z)	–
Pens American	325.5	342.6	(z)	–
Pens Australian	489.5	515.2	(z)	–
Pens CCM Vanguard	245.3	258.2	(z)	–
Pens Conscience	122.1	128.5	(z)	–
Pens Deposit	229.8	241.8	(z)	–
Pens Equity	761.7	801.7	(z)	–
Pens European	273.0	287.3	(z)	–
Pens Far East Gwth	212.1	223.2	(z)	–
Pens Fixed Interest	419.0	441.0	(z)	–
Pens Income Acc	314.7	331.2	(z)	–
Pens International	166.7	175.4	(z)	–
Pens Japan Smllr Cos	709.4	746.7	(z)	–
Pens Managed	1544.8	1626.1	(z)	–
Pens Property	367.1	386.4	(z)	–
Pens Residential Prop	102.1	107.4	(z)	–
Pens S'pore & Malay	197.8	208.2	(z)	–
Pens Smaller Cos	155.7	163.8	(z)	–
Pens Spec Sits	189.5	199.4	(z)	–
Pens Tokyo	591.4	622.5	(z)	–
Pens Universal Mngd	124.0	130.5	(z)	–
Pens UK Equity	275.7	290.2	(z)	–
Pens US Smllr Cos	146.6	154.3	(z)	–
Prices: Life Series 4 Acc; Pension Series C Acc Oct 1				

Continued on next page

FT MANAGED FUNDS SERVICE

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N & P Life Assurance Ltd
6-7 Bedford Row, London, WC1R 4BJ 071-430 2348

	Bid Price	Offer Price	+ or -	Yield Gross
Life Managed Fd	109.0	114.7	.....	-
Pension Managed Fd	108.7	114.5	.....	-
Life Deposit Fd	109.7	115.5	.....	-
Pension Deposit Fd	115.9	122.0	.....	-

For National Fls see Target Life

National Mutual Life
The Priory, Priory Pk, Hitchin, SG5 2DW 0462 422422

Harvester Pension Funds	Bid Price	Offer Price	+ or -	Yield Gross
Managed	168.9	177.8	+1.4	-
UK Equity	182.2	191.8	+2.7	-
Overseas Equity	131.4	138.4	-0.8	-
Fixed Interest	153.4	161.5	+1.5	-
Property	137.2	144.5	+0.9	-
Index Linked	151.1	159.1	+0.3	-
Deposit	162.0	170.6	+0.4	-
With Profits (B)	132.5	139.6	+0.3	-

National Provident Institution
48 Gracechurch St, London EC3P 3HH 071-623 4200

	Bid Price	Offer Price	+ or -	Yield Gross
Managed	362.6	381.7	-0.3	-
UK Equity	464.6	489.1	-0.6	-
Overseas Eq	345.4	363.6	-0.1	-
American	285.4	300.5	.....	-
Far East	373.9	393.6	-1.2	-
Property	194.9	205.2	.....	-
Fixed Int	269.1	283.3	-0.1	-
Indexed Gilt	160.6	169.1	-0.1	-
Deposit	186.0	195.8	.....	-
With Profits	103.5	108.9	.....	-
Pension Fund (Accum Units)				
Managed	521.0	548.5	-0.4	-
UK Equity	627.4	660.5	-0.4	-
Overseas Eq	578.3	608.8	-0.6	-
American	360.9	379.9	-1.4	-
Far East	611.8	644.0	+2.8	-
Property	248.0	261.1	.....	-
Fixed Int	336.5	354.3	.....	-
Indexed Gilt	175.4	184.7	-0.1	-
Deposit	262.7	276.6	.....	-
NPI Pensions Management Ltd				
Managed Fund	1139.4	1159.7	.....	-

Prices September 2 Next dealing October 1

Norwich Union Asset Management Ltd
PO Box 140, Norwich NR3 1PP 0603 622200

NUAM Funds	Bid Price	Offer Price	+ or -	Yield Gross
Managed Fund	74.2	78.1	-0.1	-
Stock Market Mngd Fund	72.9	76.8	.....	-
Equity Fund	82.8	87.1	-0.2	-
International Fund	65.7	67.1	.....	-
European Fund	64.5	67.9	-0.3	-
North American Fund	71.4	75.2	.....	-
Pacific Fund	67.6	71.2	+0.1	-
Property Fund	79.4	83.5	-0.1	-
Fixed Interest Fund	61.9	65.2	-0.1	-
Index linked Sec Fund	63.2	66.5	-0.1	-
Deposit Fund	71.3	75.1	.....	-
NUAM Retirement Plans				
Mixed Fund	82.9	87.2	.....	-
UK Ordinary Share Fd	98.4	103.6	.....	-
International Fund	68.1	71.7	+0.1	-
Property Fund	82.9	87.3	.....	-
Fixed Interest Fund	75.7	79.7	-0.2	-
Index Linked Sec Fund	67.4	70.9	-0.1	-
Deposit Fund	85.2	89.7	+0.1	-
NUAM (NF)				
Managed Fund	1047.6	1102.8	-1.1	-
Equity Fund	2270.5	2390.0	-3.7	-
International Fund	168.7	177.6	.....	-
Property Fund	504.0	530.6	-0.2	-
Fixed Interest Fund	465.2	489.7	-0.9	-
Index Linked Sec Fund	64.5	67.9	-0.1	-
Deposit Fund	294.0	309.5	.....	-

Norwich Union Life Insurance Soc.
Surrey Street, Norwich NR1 3NG 0603 622200

Unitised Life	Bid Price	Offer Price	+ or -	Yield Gross
With Profits Fd	115.80	121.89	+0.03	-
Managed Fd	101.85	107.21	-0.11	-
UK Ord Share Fd	109.13	114.87	-0.36	-
International Fd	93.07	97.97	+0.02	-
European Fd	88.58	93.24	-0.39	-
North American Fd	99.92	105.18	+0.09	-

Providence Capital Life Assc. Co Ltd
2 Bartley Way, Hook, Hants RG27 9XA 0256 768888

	Bid Price	Offer Price	+ or -	Yield Gross
UK Equity Acc	234.9	247.8	(z)	-
UK Fixed Int Acc	186.0	196.3	(z)	-
Intl Equities Acc	179.3	189.0	(z)	-
UK Managed Acc	178.3	188.0	(z)	-
Property Acc	226.6	239.1	(z)	-
Money Acc	131.8	139.1	(z)	-
Special Market Acc	147.6	155.7	(z)	-
Japan Equity Acc	102.8	108.5	(z)	-
North American Acc	103.1	108.8	(z)	-
Pacific Acc	92.9	98.1	(z)	-
Technology Acc	123.9	130.8	(z)	-
Nat Resources Acc	53.3	56.3	(z)	-
European Acc	101.1	106.7	(z)	-
Residential Prop Acc	94.6	99.8	(z)	-
Swiss Equities Acc	33.3	35.2	(z)	-
Hong Kong Acc	67.4	71.1	(z)	-
UK High Inc Eq Acc	76.9	81.2	(z)	-
Int Fixed Interest Acc	59.8	63.1	(z)	-
Int Managed Acc	56.7	59.8	(z)	-
HIP Managed Acc	118.2	124.6	(z)	-
HIP Managed II Acc	103.4	109.0	(z)	-
HIP Managed III Acc	110.5	116.5	(z)	-

Royal Heritage Life Assurance Ltd—Contd.

Perpetual Funds	Bid Price	Offer Price	+ or -	Yield Gross
International Growth	115.2	121.3	+0.2	-
Income	121.9	128.4	+3.4	-
American Growth	136.0	143.2	+0.4	-
Intl Emerging Cos	132.0	139.0	+1.8	-
Far East Growth	155.2	163.4	+1.0	-
European	133.5	140.6	+0.4	-
Managed	132.8	139.8	+0.4	-
TSB Funds				
Income	119.7	126.0	-1.1	-
Managed	143.6	151.2	-0.5	-

Royal Life Insurance Ltd
New Hall Place, Liverpool L69 3HS 051-239 3000

	Bid Price	Offer Price	+ or -	Yield Gross
Royal Shield Fd	724.7	766.8	.....	-
Royal Life (Unit Linked Assurance) Ltd				
Managed Fund	292.5	307.8	+0.5	-
Equity Fund	406.8	428.2	+0.6	-
Property Fund	222.6	234.3	.....	-
International Fund	322.2	339.1	+1.4	-
Gilt Fund	270.8	285.0	+0.2	-
Money Fund	191.7	201.7	+0.3	-
United States Fund	151.7	159.6	+0.8	-
Pacific Basin	192.8	202.9	+1.3	-
Royal Life (Unit Linked Pension Fds) Ltd				
Exempt Man Fd Acc	337.2	354.9	+0.6	-
Exempt Equity Fd Acc	638.2	671.7	+1.3	-
Exempt Prop Fd Acc	235.6	248.0	+0.5	-
Exempt Intl Fd Acc	497.7	523.8	+1.6	-
Exempt Gilt Fd Acc	306.5	322.6	+0.1	-
Exempt Money Fd Acc	250.9	264.1	+0.5	-

Royal Liver Assurance
Royal Liver Building, Liverpool, L3 1HT. 051 236 1451

	Bid Price	Offer Price	+ or -	Yield Gross
UK Equity	65.7	69.2	+0.8	-
Global Equity	43.8	46.1	-0.2	-
High Yield	55.9	58.8	+0.2	-
Intl Equity	58.4	61.5	+0.2	-
Fixed Interest	59.9	63.0	+0.1	-
Money	66.9	70.4	+0.1	-
Managed	63.0	66.3	+0.5	-
Pensions				
UK Equity	68.8	72.4	+0.9	-
Global Equity	40.4	42.5	-0.3	-
High Yield	56.7	59.7	+0.3	-
Intl Equity	59.7	62.8	+0.2	-
Fixed Interest	68.6	72.2	+0.2	-
Money	78.8	82.9	+0.1	-
Managed	67.1	70.6	+0.5	-
Tax Exempt				
Taxmaster	47.6	50.1	+0.4	-

OFFSHORE INSURANCES

MANAGEMENT SERVICES

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

Orion Fund Limited
6 Front St., Hamilton, HM11, Bermuda 809 295 4000

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Orion		$-	11.9120		...	-

CANADA (SIB RECOGNISED)

Ivory & Sime Pembroke Inc
UK Agent. Ivory & Sime Plc. One Charlotte Square
Square, Edinburgh EH2 4DZ 031 225 1357

	Bid Price	Offer Price	+ or -	Yield Gross
GBC Nth America Inc*	C$-	3.44	.....	-
Approx Stlg Equiv	£-	1.75	.....	-

*Dealing Thursdays—Forward. Redemption Fee 1%

GUERNSEY (SIB RECOGNISED)

GUERNSEY (REGULATED)(**)

IRELAND (SIB RECOGNISED)

IRELAND (REGULATED)(**)

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JERSEY (REGULATED**)

ISLE OF MAN (REGULATED**)

GUERNSEY

JERSEY (SIB RECOGNISED)

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LUXEMBOURG (REGULATED**)

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

MANAGED FUNDS NOTES

Prices are in pence unless otherwise indicated and those designated $ which as prefix refer to U.S. dollars. Yields % allow for all buying expenses. Prices of certain older insurance linked plans reflect to capital gains tax on sales. ♦ Distributing, free of UK taxes. ♦ Periodic premium insurance plans. ♦ Single premium insurance. ♦ Designated in Luxembourg as a UCITS (Undertakings for Collective Investment in Transferable Securities). ♦ Offered price includes all expenses except agent's commission. ♦ Previous day's price. ♦ Germany gross. ♦ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ♦ Only available to charitable bodies. ♦ Yield column shows annualized rates. ♦ NAV increase, xd ex dividend.

(**) Funds not SIB recognised. The regulatory authorities for these funds are: Guernsey: Financial Services Commission; Ireland: Central Bank of Ireland; Isle of Man: Financial Supervision Commission; Jersey: Commercial Relations Department; Luxembourg: Institut Monétaire Luxembourgeois.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Markets awaiting US data

The foreign exchange markets remained transfixed by the release of important US economic data tomorrow, leaving the major currencies unable to break out of recent trading ranges.

The dollar closed in Tokyo at DM1.6661 and Y133.11, slightly lower than the New York closing prices of DM1.6678 and Y133.43.

In London, pressure on the US currency increased in technical trading. The dollar hit a low of DM1.6590 and Y132.20 before support caused a slight rally to DM1.6625 and Y132.55 by the close.

The prospects for the US currency appear bleak in the very short term, with most analysts anticipating *a fall to around* DM1.63 if the Federal Reserve eases monetary conditions on Friday after the release of non-farm payroll data. A poor emplyment number has been the trigger to easier monetary conditions earlier this year.

However, there is division of opinion over the likely level of the dollar by the end of the year. Many analysts take the view that a recovery in the US economy will increase demand for the US currency and lead to an appreciation of the dollar to perhaps DM1.90 by the year end.

Others, however, believe that portfolio investors will switch funds from the low-yielding US market to assets denominated in the D-Mark and other European currencies. On this view, the US currency could stabilise at around DM1.63 or lower, depending on the weight of portfolio flows out of dollar assets.

One currency to have benefited from portfolio investment flows in recent weeks has been the Canadian dollar. International investors have purchased more than C$14bn of Eurobonds this year, in addition to acquisitions of Canadian government securities.

Yesterday the Canadian dollar remained strong, helped by inflows from C$1bn Eurobonds launched on Tuesday. The *Canadian currency was firm* at around C$1.1310, well below recent ranges of C$1.15 to C$1.19, and testing the C$1.13 resistence level.

This prompted the Bank of Canada to intervene, selling Canadian dollars at C$1.1307.

Within the European exchange rate mechanism, the *D-Mark strengthened slightly* following by comments from Mr Hans Tietmeyer, the Bundesbank vice-president, that the monetary authorities would like to see inflation fall to around 2 per cent. His remarks echoed earlier coments by Mr Helmut Schlesinger, the bank president, and reinforced the impression that 2 per cent inflation is an official policy target.

The market took this as sign that German interest rates will remain at around current levels for some time to come. The peseta remained firm, around 4.40 per cent above the lowest currency in the system, the French franc.

Sterling closed at DM2.9125 from DM2.9150 and $1.7520 *from $1.7480. Sterling was* unchanged on its trade-weighted index at 91.2.

£ IN NEW YORK

Oct.2	Close	Previous Close
£ Spot	1.7500-1.7510	1.7455-1.7465
1 month	0.79-0.77pm	0.79-0.77pm
3 months	2.11-2.08pm	2.02-1.99pm
12 months	7.07-6.97pm	7.00-6.90pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

		Oct.2	Previous
8.30	am	91.2	91.2
9.00	am	91.2	91.2
10.00	am	91.2	91.2
11.00	am	91.2	91.2
Noon		91.2	91.2
1.00	pm	91.2	91.1
2.00	pm	91.2	91.1
3.00	pm	91.2	91.1
4.00	pm	91.2	91.1

CURRENCY MOVEMENTS

Oct 2	Bank of England Index	Morgan** Guaranty Changes %
Sterling	91.2	-20.5
U.S Dollar	64.2	-14.7
Canadian Dollar	106.3	+3.8
Austrian Schilling	109.3	+11.7
Belgian Franc	110.9	-2.3
Danish Krone	108.7	+3.3
D-Mark	117.7	+24.3
Swiss Franc	109.8	+18.6
Dutch Guilder	113.8	+15.7
French Franc	102.4	-13.4
Lira	98.9	-19.8
Yen	139.4	+71.6

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (Base Average 1985=100). **Rates are for Oct.1

CURRENCY RATES

Oct 2	Bank § rate %	Special * Drawing Rights	European † Currency Unit
Sterling	–	0.781173	0.702940
U.S Dollar	5.50	1.36471	1.23260
Canadian $	8.78	1.54403	1.39371
Austrian Sch	7.50	16.0299	14.4067
Belgian Franc	8.00	46.9256	42.1890
Danish Krone	9.50	8.78832	7.90285
D-Mark	7.50	2.27797	2.04736
Dutch Guilder	8.00	2.55743	2.30756
French Franc	10¼	7.76179	6.97654
Italian Lira	11½	1703.94	1531.76
Japanese Yen	5.50	181.643	163.135
Norway Krone	8	8.91019	8.00762
Spanish Peseta	–	144.067	129.520
Swedish Krona	10.00	8.31381	7.46342
Swiss Franc	7.00	1.98429	1.78728
Greek Drach	19	N/A	228.081
Irish Punt	–	N/A	0.765783

§ Bank rate refers to central bank discount rates. These are not quoted by the UK, Spain and Ireland.
† European Commission Calculations.
* All SDR rates are for Oct.1

OTHER CURRENCIES

Oct 2	£	$
Argentina	17344.8 - 17382.1	9900.00 - 9910.00
Australia	2.1900 - 2.1920	1.2495 - 1.2500
Brazil	934.340 - 935.410	533.150 - 533.450
Finland	7.0890 - 7.1015	4.0400 - 4.0430
Greece	321.850 - 327.000	183.970 - 186.910
Hong Kong	13.5675 - 13.5805	7.7430 - 7.7450
Iran	115.80*	68.50*
Korea(Sth)	1288.55 - 1309.35	738.70 - 747.50
Kuwait	0.50000 - 0.50100	0.28885 - 0.28900
Luxembourg	60.00 - 60.10	34.25 - 34.35
Malaysia	4.7920 - 4.8000	2.7355 - 2.7375
Mexico	5359.15 - 5365.70	3058.00 - 3060.00
N.Zealand	3.0680 - 3.0720	1.7515 - 1.7540
Saudi Ar	6.5215 - 6.5980	3.7500 - 3.7510
Singapore	2.9505 - 2.9575	1.6850 - 1.6870
S.Af (Cm)	4.9165 - 4.9280	2.8050 - 2.8065
S.Af (Fn)	5.3560 - 5.4395	3.0580 - 3.1055
Taiwan	46.40 - 46.50	26.50 - 26.55
U.A.E.	6.3845 - 6.4615	3.6715 - 3.6735

* Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu Central Rates	Currency Amounts Against Ecu Oct 2	% Change from Central Rate	% Spread vs Weakest Currency	Divergence Indicator
Spanish Peseta	133.631	129.520	-3.08	4.39	53
Belgian Franc	42.4032	42.1890	-0.51	1.69	27
Italian Lira	1538.24	1531.76	-0.42	1.61	24
D-Mark	2.05586	2.04736	-0.41	1.60	30
Dutch Guilder	2.31643	2.30756	-0.38	1.57	22
Irish Punt	0.767417	0.765783	-0.21	1.40	12
Danish Krone	7.84195	7.90285	0.78	0.40	-33
Sterling	0.696904	0.702940	0.87	0.31	-17
French Franc	6.89509	6.97654	1.18	0.00	-62

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
Adjustment calculated by Financial Times.

POUND SPOT - FORWARD AGAINST THE POUND

Oct 2	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.7480 - 1.7550	1.7515 - 1.7525	0.78-0.76cpm	5.27	2.09-2.06pm	4.74
Canada	1.9785 - 1.9840	1.9805 - 1.9815	0.35-0.26cpm	1.85	1.02-0.89pm	1.93
Netherlands	3.2800 - 3.2900	3.2800 - 3.2900	⅜-¼cpm	1.14	⅞-¾pm	0.91
Belgium	59.90 - 60.15	60.00 - 60.10	9-5cpm	1.40	18-11pm	0.97
Denmark	11.2240 - 11.2610	11.2300 - 11.2400	1⅛-⅜orepm	0.80	1⅞-⅞pm	0.47
Ireland	1.0880 - 1.0920	1.0895 - 1.0905	0.05-parcpm	0.28	0.13-0.03pm	0.29
Germany	2.9100 - 2.9175	2.9100 - 2.9150	⅜-¼pfpm	1.29	⅝-½pm	0.77
Portugal	249.15 - 251.55	249.95 - 250.95	55-92cdis	-3.52	204-277dis	-3.84
Spain	183.75 - 184.75	184.05 - 184.35	23-36cdis	-1.92	62-80dis	-1.54
Italy	2174.00 - 2182.45	2180.00 - 2181.00	1-2liredis	-0.83	3-5dis	-0.73
Norway	11.3795 - 11.4200	11.3925 - 11.4025	⅛-⅜oredis	-0.46	⅞-1⅜dis	-0.46
France	9.9190 - 9.9435	9.9250 - 9.9350	1-⅞cpm	1.13	2-1⅝pm	0.73
Sweden	10.6025 - 10.6520	10.6075 - 10.6175	⅛-⅞oredis	-0.35	⅝-⅜pm	0.28
Japan	231.75 - 232.85	231.75 - 232.75	1⅛-⅞ypm	5.17	2⅛-2⅛pm	3.77
Austria	20.45 - 20.52	20.49 - 20.52	2⅛-1⅛gropm	0.99	5⅛-3⅛pm	0.83
Switzerland	2.5400 - 2.5500	2.5400 - 2.5500	⅝-½cpm	2.36	1⅝-1⅛pm	1.96
Ecu	1.4210 - 1.4265	1.4210 - 1.4220	0.10-0.05cpm	0.63	0.11-0.06pm	0.24

Commercial rates taken towards the end of London trading. Six-month forward dollar 3.87-3.82cpm . 12 Month 7.05-6.95pm.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Oct 2	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.7480 - 1.7550	1.7515 - 1.7525	0.78-0.76cpm	5.27	2.09-2.06pm	4.74
Ireland†	1.6045 - 1.6095	1.6065 - 1.6075	0.65-0.60cpm	4.67	1.80-1.70pm	4.36
Canada	1.1300 - 1.1315	1.1305 - 1.1315	0.31-0.34cdis	-3.45	0.78-0.83dis	-2.85
Netherlands	1.8700 - 1.8785	1.8735 - 1.8745	0.60-0.64cdis	-3.97	1.80-1.85dis	-3.90
Belgium	34.20 - 34.35	34.25 - 34.35	10.00-12.00cdis	-3.85	30.00-35.00dis	-3.79
Denmark	6.4000 - 6.4330	6.4100 - 6.4150	2.25-2.55oredis	-4.49	6.60-7.20dis	-4.30
Germany	1.6590 - 1.6675	1.6620 - 1.6630	0.54-0.55pfdis	-3.93	1.60-1.63dis	-3.89
Portugal	142.90 - 143.05	142.90 - 143.00	100-107cdis	-8.69	300-320dis	-8.67
Spain	105.00 - 105.45	105.15 - 105.25	62-68cdis	-7.41	180-190dis	-7.03
Italy	1241.00 - 1246.50	1244.25 - 1244.75	6.00-6.50liredis	-6.03	18.30-19.30dis	-6.04
Norway	6.4900 - 6.5290	6.5025 - 6.5075	3.00-3.30oredis	-5.81	8.35-8.85dis	-5.29
France	5.6540 - 5.6815	5.6650 - 5.6700	1.91-1.96cdis	-4.10	5.67-5.77dis	-4.04
Sweden	6.0480 - 6.0865	6.0550 - 6.0600	2.55-2.80oredis	-5.30	7.60-8.05dis	-5.17
Japan	132.20 - 133.15	132.50 - 132.60	0.15-0.16ydis	-1.40	0.32-0.33dis	-0.98
Austria	11.6800 - 11.7300	11.7025 - 11.7075	3.80-4.20grodis	-4.10	11.50-12.70dis	-4.13
Switzerland	1.4485 - 1.4560	1.4520 - 1.4530	0.33-0.36cdis	-2.85	0.97-1.03dis	-2.75
Ecu	*1.2275 - 1.2325*	*1.2305 - 1.2315*	*0.49-0.46cpm*	*4.63*	*1.42-1.36pm*	*4.52*

Commercial rates taken towards the end of London trading. † UK, Ireland and ECU are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

EURO-CURRENCY INTEREST RATES

Oct 2	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	10¾ - 10⅝	10¾ - 10⅝	10⅞ - 10¾	10¾ - 10⅝	10⅝ - 10½	10⅝ - 10½
US Dollar	5½ - 5⅜	5⅝ - 5½	5⅝ - 5½	5⅝ - 5½	5⅝ - 5½	5⅝ - 5½
Can. Dollar	9½ - 9¼	9⅛ - 8⅞	8⅞ - 8⅝	8⅝ - 8⅜	8⅜ - 8	8⅜ - 8⅛
Dutch Guilder	9⅛ - 9	9⅛ - 9	9⅛ - 9	9⅛ - 9	9⅛ - 9	9⅛ - 9
Swiss Franc	8⅛ - 7⅞	8⅛ - 7⅞	8⅛ - 8	8⅛ - 8	8⅛ - 8	8 - 7⅞
D-Mark	9⅛ - 9	9⅛ - 9	9⅛ - 9	9⅛ - 9	9⅛ - 9	9⅛ - 9
French Franc	9¼ - 9⅛	9¼ - 9⅛	9¼ - 9⅛	9¼ - 9⅛	9¼ - 9⅛	9¼ - 9⅛
Italian Lira	12 - 10	11½ - 10½	11⅛ - 10⅞	11½ - 11	11⅜ - 11⅛	11⅜ - 11⅛
Belgian Franc	9¼ - 9⅛	9¼ - 9⅛	9¼ - 9⅛	9¼ - 9⅛	9¼ - 9⅛	9¼ - 9⅛
Yen	7 - 6⅝	6⅝ - 6⅜	6⅝ - 6½	6⅜ - 6⅛	6⅜ - 6⅛	6⅛ - 6
Danish Krone	9⅞ - 9⅝	9⅞ - 9⅝	9⅞ - 9⅝	9⅞ - 9⅝	9⅞ - 9⅝	9⅞ - 9⅝
Asian $Sing	5⅝ - 5⅛	5⅝ - 5⅛	5⅝ - 5⅛	5⅝ - 5⅛	5⅝ - 5½	5⅝ - 5½

Long term Eurodollars: two years 6⅞-6¾ per cent; three years 6⅞-6¾ per cent; four years 7⅛-7 per cent; five years 7⅜-7¼ per cent nominal. Short term rates are call for US Dollars and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

Oct.2	£	$	DM	Yen	F Fr.	S Fr.	H Fl.	Lira	C$	B Fr.	ECU
£	1	1.752	2.913	232.3	9.930	2.545	3.285	2181.	1.981	60.05	1.422
$	0.571	1	1.663	132.6	5.668	1.453	1.875	1245	1.131	34.28	0.812
DM	0.343	0.601	1	79.75	3.409	0.874	1.128	748.7	0.680	20.61	0.488
YEN	4.305	7.542	12.54	1000.	42.75	10.96	14.14	9389	8.528	258.5	6.121
F Fr.	1.007	1.764	2.934	233.9	10.	2.563	3.308	2196	1.995	60.47	1.432
S Fr.	0.393	0.688	1.145	91.28	3.902	1	1.291	857.0	0.778	23.60	0.559
H Fl.	0.304	0.533	0.887	70.72	3.023	0.775	1	663.9	0.603	18.28	0.433
Lira	0.459	0.803	1.336	106.5	4.553	1.167	1.506	1000.	0.908	27.53	0.652
C$	0.505	0.884	1.470	117.3	5.013	1.285	1.658	1101	1	30.31	0.718
B Fr.	1.665	2.918	4.851	386.8	16.54	4.238	5.470	3632	3.299	100.	2.368
ECU	0.703	1.232	2.049	163.4	6.983	1.790	2.310	1534	1.393	42.23	1

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100.

FINANCIAL FUTURES AND OPTIONS

LIFFE LONG GILT FUTURES OPTIONS
£50,000 64ths of 100%

Strike Price	Calls-settlements Dec	Calls-settlements Mar	Puts-settlements Dec	Puts-settlements MAR
93	3-35	4-01	0-07	0-35
94	2-42	3-17	0-14	0-51
95	1-56	2-39	0-28	1-09
96	1-13	2-02	0-49	1-36
97	0-47	1-35	1-19	2-05
98	0-28	1-09	2-00	2-43
99	0-15	0-53	2-51	3-23
100	0-08	0-37	3-44	4-07

Estimated volume total, Calls 3417 Puts 3425
Previous day's open int. Calls 32279 Puts 15812

LIFFE US TREASURY BOND FUTURES OPTIONS
$100,000 64ths of 100%

Strike Price	Calls-settlements Dec	Calls-settlements Mar	Puts-settlements Dec	Puts-settlements MAR
96	4-02	4-01	0-10	0-59
97	3-10	3-22	0-18	1-16
98	2-22	2-47	0-30	1-41
99	1-42	2-13	0-50	2-07
100	1-07	1-48	1-15	2-42
101	0-44	1-23	1-52	3-17
102	0-26	1-02	2-34	3-60
103	0-15	0-50	3-23	4-44

Estimated volume total, Calls 30 Puts 10
Previous day's open int. Calls 1125 Puts 1812

LIFFE BUND FUTURES OPTIONS
DM250,000 points of 100%

Strike Price	Calls-settlements Dec	Calls-settlements Mar	Puts-settlements Dec	Puts-settlements MAR
8400	1.97	2.33	0.06	0.20
8450	1.51	1.93	0.10	0.30
8500	1.11	1.57	0.20	0.44
8550	0.76	1.24	0.35	0.61
8600	0.48	0.96	0.57	0.83
8650	0.29	0.72	0.88	1.09
8700	0.16	0.53	1.25	1.40
8750	0.09	0.38	1.68	1.75

Estimated volume total, Calls 6571 Puts 5230
Previous day's open int. Calls 67992 Puts 52676

LIFFE EUROMARK OPTIONS
DM1m points of 100%

Strike Price	Calls-settlements Dec	Calls-settlements Mar	Puts-settlements Dec	Puts-settlements MAR
8975	0.91	1.18	0	0
9000	0.67	0.94	0.01	0.01
9025	0.44	0.71	0.03	0.03
9050	0.22	0.49	0.06	0.06
9075	0.08	0.31	0.17	0.13
9100	0.03	0.17	0.37	0.24
9125	0.01	0.08	0.60	0.40
9150	0	0.03	0.84	0.60

Estimated volume total, Calls 691 Puts 270
Previous day's open int. Calls 18899 Puts 14640

LIFFE EURODOLLAR OPTIONS
US$1m points of 100%

Strike Price	Calls-settlements Dec	Calls-settlements Mar	Puts-settlements Dec	Puts-settlements MAR
9350	0.86	0.97	0.01	0.03
9375	0.62	0.74	0.02	0.05
9400	0.40	0.52	0.05	0.08
9425	0.20	0.34	0.10	0.15
9450	0.08	0.20	0.23	0.26
9475	0.03	0.11	0.43	0.42
9500	0.01	0.05	0.66	0.61
9525	0	0.02	0.90	0.83

Estimated volume total, Calls 0 Puts 0
Previous day's open int. Calls 1296 Puts 2117

LIFFE SHORT STERLING OPTIONS
£500,000 points of 100%

Strike Price	Calls-settlements Dec	Calls-settlements Mar	Puts-settlements Dec	Puts-settlements MAR
8925	0.86	1.18	0	0
8950	0.62	0.94	0.01	0.01
8975	0.39	0.71	0.03	0.03
9000	0.20	0.50	0.09	0.07
9025	0.08	0.32	0.22	0.14
9050	0.03	0.19	0.42	0.26
9075	0.01	0.10	0.65	0.42
9100	0	0.05	0.89	0.62

Estimated volume total, Calls 5298 Puts 2142
Previous day's open int. Calls 33587 Puts 32077

LONDON (LIFFE)

20-YEAR 9% NOTIONAL GILT *
£50,000 32nds of 100%

	Close	High	Low	Prev.
Dec	96-14	96-22	96-12	96-23
Mar	96-15			96-24

Estimated volume 17591 (27006)
Previous day's open int. 60660 (58930)

US TREASURY BONDS 8% *
$100,000 32nds of 100%

	Close	High	Low	Prev.
Dec	99-28	100-04	99-26	99-31
Mar	99-03			99-05

Estimated volume 936 (1570)
Previous day's open int. 3756 (3816)

6% NOTIONAL GERMAN GOVT. BOND *
DM250,000 100ths of 100%

	Close	High	Low	Prev.
Dec	85.91	86.08	85.88	85.83
Mar	86.13	86.26	86.13	86.04

Estimated volume 42339 (75633)
Previous day's open int. 67803 (53015)

6% NOTIONAL LONG TERM JAPANESE GOVT. BOND Y100m 100ths of 100%

	Close	High	Low
Dec	99.83	99.86	99.82
Mar	99.87		

Estimated volume 792 (1013)
Traded exclusively on APT

9% NOTIONAL ECU BOND
ECU 200,000 100ths of 100%

	Close	High	Low	Prev.
Dec	100.60			100.03
M				
A				

Estimated volume 0 (0)
Previous day's open int. 270 (270)

12% NOTIONAL ITALIAN GOVT. BOND (BTP) *
LIRA 200m 100ths of 100%

	Close	High	Low	Prev.
Dec	97.33	97.45	97.23	97.18
Mar	97.33	97.35	97.28	97.18

Estimated volume 4114 (5759)
Previous day's open int. 8199 (8866)

THREE MONTH STERLING *
£500,000 points of 100%

	Close	High	Low	Prev.
Dec	90.11	90.17	90.10	90.16
Mar	90.43	90.47	90.42	90.45
Jun	90.42	90.46	90.41	90.44
Sep	90.37	90.39	90.36	90.38
Dec	90.28	90.30	90.28	90.30
Mar	90.11	90.13	90.11	90.13

Est. Vol. (inc. figs. not shown) 25914 (29512)
Previous day's open int. 131163 (128533)

THREE MONTH EURODOLLAR *
$1m points of 100%

	Close	High	Low	Prev.
Dec	94.35	94.35	94.33	94.33
Mar	94.44	94.47	94.43	94.45
Jun	94.27	94.33	94.27	94.30
Sep	93.95	94.01	93.98	93.99

Est. Vol. (inc. figs. not shown) 3141 (3378)
Previous day's open int. 28624 (28492)

THREE MONTH EUROMARK *
DM 1m points of 100%

	Close	High	Low	Prev.
Dec	90.66	90.70	90.66	90.67
Mar	90.93	90.97	90.93	90.93
Jun	91.14	91.17	91.14	91.14
Sep	91.28	91.32	91.27	91.28
Dec	91.38	91.39	91.37	91.36
Mar	91.48			91.48

Estimated volume 17571 (17061)
Previous day's open int. 139133 (136315)

THREE MONTH ECU
ECU 1m points of 100%

	Close	High	Low	Prev.
Dec	90.26	90.27	90.24	90.26
Mar	90.67	90.66	90.66	90.67
Jun	90.88			90.92
Sep	90.99			91.02

Estimated volume 325 (728)
Previous day's open int. 4972 (4516)

THREE MONTH EURO SWISS FRANC
SFR 1m points of 100%

	Close	High	Low	Prev.
Dec	91.92	91.97	91.91	91.96
Mar	92.30	92.35	92.30	92.34
Jun	92.52	92.53	92.50	92.55
Sep	92.66			92.69

Estimated volume 1088 (5190)
Previous day's open int. 18521 (18033)

FT-SE 100 INDEX *
£25 per full index point

	Close	High	Low	Prev.
Dec	2699.0	2702.0	2687.0	2700.0
Mar	2735.0			2736.0
Jun	2767.0			2768.0

Estimated volume 3601 (3822)
Previous day's open int. 34850 (33781)

FT-SE EUROTRACK 100 INDEX
DM50 per full index point

	Close	High	Low	Prev.
Dec	1125.0	1133.0	1133.0	1128.0
Mar				

Estimated volume 2 (34)
Previous day's open int. 243 (209)

* Contracts traded on APT after trading hours

POUND - DOLLAR

FT FOREIGN EXCHANGE RATES

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.7520	1.7443	1.7312	1.7135	1.6820

CHICAGO

U.S. TREASURY BONDS (CBT) 8%
$100,000 32nds of 100%

	Close	High	Low	Prev.
Dec	99-28	100-06	99-25	100-01
Mar	99-03	99-12	99-01	99-07
Jun	98-09	98-12	98-08	98-13
Sep	97-17	97-19	97-17	97-21
Dec	96-27	96-28	96-26	96-31
Mar	96-07	96-08	96-06	96-11
Jun	95-21	-	-	95-25
Sep	95-05	-	-	95-09
Dec	94-23	-	-	94-27
Mar	94-10	-	-	94-14

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Close	High	Low	Prev.
Dec	94.91	94.92	94.90	94.91
Mar	94.99	95.01	94.97	95.00
Jun	94.85	94.87	94.84	94.90
Sep	94.61	-	94.61	94.65
Dec	94.12	-	94.12	94.16

BRITISH POUND (IMM)
$s per £

	Close	High	Low	Prev.
Dec	1.7318	1.7374	1.7290	1.7294
Mar	1.7144	1.7190	1.7120	1.7122
Jun	1.6978	1.7024	1.6960	1.6956

SWISS FRANC (IMM)
SFr 125,000 $ per SFr

	Close	High	Low	Prev.
Dec	0.6823	0.6861	0.6811	0.6835
Mar	0.6782	0.6825	0.6770	0.6795
Jun	0.6745	-	-	0.6759

JAPANESE YEN (IMM)
Y12.5m $ per Y100

	Close	High	Low	Prev.
Dec	0.7520	0.7540	0.7504	0.7481
Mar	0.7513	0.7532	0.7505	0.7475
Jun	0.7513	0.7515	-	0.7476
Sep	0.7517	-	-	0.7481

DEUTSCHE MARK (IMM)
DM125,000 $ per DM

	Close	High	Low	Prev.
Dec	0.5954	0.5980	0.5943	0.5950
Mar	0.5900	0.5920	0.5896	0.5896
Jun	0.5848	0.5868	0.58500	0.5844

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Close	High	Low	Prev.
Dec	94.33	94.35	94.32	94.33
Mar	94.43	94.46	94.42	94.45
Jun	94.25	94.32	94.24	94.30
Sep	93.92	94.01	93.92	93.98
Dec	93.36	93.45	93.35	93.43
Mar	93.21	93.29	93.20	93.27
Jun	92.93	93.00	92.91	92.98
Sep	92.67	92.74	92.67	92.72

STANDARD & POORS 500 INDEX
$500 times index

	Close	High	Low	Prev.
Dec	389.45	392.60	389.30	391.65
Mar	391.85	394.90	391.70	394.10
Jun	394.30	397.40	394.20	396.55

PHILADELPHIA SE £/$ OPTIONS
£31,250 (cents per £1)

Strike Price	Calls Oct	Calls Nov	Calls Dec	Calls Mar	Puts Oct	Puts Nov	Puts Dec	Puts Mar
1.625	12.25	12.35	12.25	-	-	0.03	0.55	-
1.650	9.75	9.85	9.79	-	-	0.12	1.00	-
1.675	7.30	7.47	7.60	-	-	0.34	1.47	-
1.700	4.88	5.41	5.81	6.69	0.15	0.72	2.26	4.60
1.725	2.71	3.69	4.23	5.35	0.53	1.33	3.24	5.85
1.750	1.18	2.42	2.98	4.20	1.46	2.22	4.59	7.30
1.775	0.39	1.50	2.09	3.25	3.14	3.55	6.18	8.85

Previous day's open int: Calls 262,580 Puts 330,533 (All currencies)
Previous day's volume: Calls 9,913 Puts 25,261 (All currencies)

PARIS

7 to 10 YEAR 10% NOTIONAL FRENCH BOND (MATIF) FUTURES

	Open	Sett price	Change	High	Low	Yield	Open int.
December	107.08	107.00	+0.04	107.10	106.88	8.92	94,095
March	107.14	107.06	+0.04	107.14	106.96	8.91	6,740
June	107.38	107.32	+0.06	107.40	107.30	8.78	2,512

Estimated volume 59,162 Total Open Interest 103,347

6 to 10 YEAR 10% ITALIAN LONG TERM CONTRACT (MATIF) FUTURES

	Open	Sett price	Change	High	Low	Yield	Open int.
December	86.70	86.75	+0.12	86.78	86.69	12.41	7,543
March	-	86.83	+0.12	-	-	12.39	350

Estimated volume 1,544 Total Open Interest 7,893

THREE-MONTH PIBOR FUTURES (MATIF) (Paris Interbank offered rate)

	Open	Sett price	Change	High	Low	Yield	Open int.
December	90.73	90.70	-0.01	90.73	90.69	9.29	33,638
March	91.03	91.00	-	91.03	90.99	9.00	12,200

Estimated volume 10,840 Total Open Interest 49,304

CAC-40 FUTURES (MATIF) Stock Index

	Open	Sett price	Change	High	Low	Yield	Open int.
October	1901.0	1891.0	-13.5	1902.0	1889.0	-	14,703
November	1914.5	1905.0	-13.5	1914.5	1904.5	-	1,675
December	1928.0	1919.5	-13.5	1928.0	1918.0	-	3,098
March	*1972.0*	*1962.0*	*-13.5*	*1972.0*	*1960.0*	-	33

Estimated volume 5,004 Total Open Interest 19,509

ECU BOND (MATIF)

	Open	Sett price	Change	High	Low	Yield	Open int.
December	106.90	106.76	-0.06	106.90	106.72	8.94	4,037
March	-	*106.76*	-0.06	-	-	8.94	334

Estimated volume 1,106 Total Open Interest 4,371

OPTION ON LONG-TERM FRENCH BOND (MATIF)

Strike	Calls December	Calls March	Calls June	Puts December	Puts March	Puts June
104	-	-	-	0.05	0.28	-
105	2.09	-	-	0.13	0.47	-
106	1.27	-	-	0.32	-	0.97
107	0.67	1.20	-	0.68	-	-
Open int	103,066	39,235	2,200	82,644	34,000	7,653

Estimated volume 28,466 Total Open Interest 268,798

BASE LENDING RATES

	%		%		%
Adam & Company	10.5	Credit Lyonnais	10.5	Midland Bank	10.5
Allied Trust Bank	10.5	Cyprus Popular Bk	10.5	Mount Banking	10.5
AIB Bank	10.5	Dunbar Bank PLC	10.5	NatWestminster	10.5
● Henry Ansbacher	10.5	Duncan Lawrie	10.5	Northern Bank Ltd	10.5
B & C Merchant Bank	10.5	Equatorial Bank plc	10.5	Nykredit Mortgage Bank	11
Bank of Baroda	10.5	Exeter Bank Limited	11	Provincial Bank PLC	14
Banco Bilbao Vizcaya	10.5	Financial & Gen. Bank	11	Roxburghe Bank Ltd.	11.5
Bank of Cyprus	10.5	First National Bank Plc.	14	Royal Bk of Scotland	10.5
Bank of Ireland	10.5	● Robert Fleming & Co.	10.5	● Smith & Williamson Secs.	10.5
Bank of India	10.5	Robert Fraser & Ptnrs.	11	Standard Chartered	10.5
Bank of Scotland	10.5	Girobank	10.5	TSB	10.5
Banque Belge Ltd	10.5	● Guinness Mahon	10.5	Unitedank plc	10.5
Barclays Bank	10.5	● Hambros Bank	10.5	● United Bk of Kuwait	10.5
Benchmark Bank	11	Hampshire Trust Plc	13.5	Unity Trust Bank Plc	10.5
Brit Bk of Mid East	10.5	Heritable & Gen Inv Bnk.	10.5	Western Trust	10.5
● Brown Shipley	10.5	● Hill Samuel	10.5	Westpac Bank Corp.	10.5
CL Bank Nederland	10.5	C. Hoare & Co.	10.5	Whiteaway Laidlaw	10.5
Citibank NA	10.5	Hongkong & Shanghai	10.5	Yorkshire Bank	10.5
City Merchants Bank	10.5	● Leopold Joseph & Sons	10.5		
Clydesdale Bank	10.5	Lloyds Bank	10.5		
Co-operative Bank	10.5	Meghraj Bank Ltd	10.5		
Coutts & Co	10.5	McDonnell Douglas Bnk.	10.5		

● Members of British Merchant Banking & Securities Houses Association.

MONEY MARKET FUNDS

Money Market Trust Funds

	Gross	Net	Gross CAR	Int Cr
CAF Money Management Co Ltd				
48 Pembury Road, Tonbridge TN9 2JD 0732 770114				
Cafcash Deposit Fund	10.29	–	10.69	3-Mth
Deposits Over £1 million	10.39	–	10.80	3-Mth
Deposits Over £2 million	10.49	–	10.91	3-Mth
The COIF Charities Deposit Account				
2 Fore Street, London EC2Y 5AQ 071-588 1815				
Deposit	10.40	–	10.81	3-Mth
Cent. Bd. of Fin. of Church of England‡‡				
2 Fore Street, London EC2Y 5AQ 071-588 1815				
Deposit	10.40	–	10.81	3-Mth
Gartmore Money Management Ltd				
2-3 White Hart Yard, London SE1R 1NX. 071-236 1425 / 071 236 9362				
TESSA Desk				
Call Fund	10.47	7.85	10.74	6-Mth
7-day Fund	10.08	7.56	10.33	6-Mth
Special Fund	10.10	–	10.58	3-Mth
Dollar	4.12	3.09	4.18	3-Mth
TESSA Prime	9.76	–	10.12	3-Mth
TESSA Plus	9.57	–	9.92	3-Mth
TESSA Saver	9.33	–	9.66	3-Mth

Money Market Bank Accounts

	Gross	Net	Gross CAR	Int Cr
AIB Bank High Interest Cheque Account				
Belmont Rd, Uxbridge UB8 1SA 0800 282115				
£2,500-£9,999	8.50	6.38	8.77	Qtr
£10,000+	9.25	6.94	9.57	Qtr
Aitken Hume Bank plc				
30 City Road, EC1Y 2AY. 071-638 6070				
Treasury Acc.	9.00	6.75	9.31	Qtr
Mth Int Chq £1,000-£4,999	9.00	6.75	9.38	Mth
Mth Int Chq £5,000-£49,999	9.50	7.125	9.92	Mth
Mth Int Chq £50,000+	10.00	7.50	10.47	Mth
Allied Trust Bank Ltd				
97-101 Cannon St, London, EC4N 5AD 071-626 0879				
TOMNA (£2,001+)	10.90	8.18	11.46	Mth
OMNA (£2,001+)	10.50	7.88	11.02	Mth
HICA (£2,001+)	9.00	6.75	9.38	Mth
Premier TESSA	12.50	9.38	13.24	Yearly
American Express Bank Ltd				
Sussex House, Burgess Hill West Sussex, RH15 9AW 0444 230230				
High Performance Cheque Account				
Cardmembers				
£500-£999	3.50	2.63	3.56	Mth
£1,000-£4,999	8.50	6.38	8.84	Mth
£5,000-£9,999	8.70	6.53	9.06	Mth
£10,000-£24,999	9.10	6.83	9.49	Mth
£25,000-£49,999	9.30	6.98	9.71	Mth
£50,000-£99,999	9.50	7.13	9.92	Mth
£100,000+	9.70	7.28	10.14	Mth
Non-Cardmembers				
£500-£999	3.25	2.44	3.30	Mth
£1,000-£4,999	8.25	6.19	8.57	Mth
£5,000-£9,999	8.45	6.34	8.79	Mth
£10,000-£24,999	8.85	6.64	9.22	Mth
£25,000-£49,999	9.05	6.79	9.43	Mth
£50,000-£99,999	9.25	6.94	9.65	Mth
£100,000+	9.45	7.09	9.87	Mth
Bank of Ireland High Interest Cheque Acc				
36-40 High St, Slough SL1 1EL 0753 516516				
£2,000-£9,999	8.50	6.375	8.775	Qtr
£10,000+	8.75	6.563	9.041	Qtr
Bank of Scotland				
38 Threadneedle St, EC2P 2EH 071-601 6446				
MM Chq Acc £2,500-£24,999	8.65	6.49	9.00	Mth
£25,000+	9.11	6.83	9.50	Mth
Barclays Capital Advantage Account				
PO Box 120, Westwood Bs Pk, Coventry 0203 694242				
£10,000-£24,999	8.90	6.68	9.20	Qtr
£25,000-£49,999	9.60	7.20	9.95	Qtr
£50,000+	10.00	7.50	10.38	Qtr
Barclays Prime Account H.I.C.A.				
PO Box 125, Northampton 0604 252891				
£1,000-£2,499	7.50	5.63	7.71	Qtr
£2,500-£9,999	8.20	6.15	8.46	Qtr
£10,000-£24,999	8.90	6.68	9.20	Qtr
£25,000+	9.20	6.90	9.52	Qtr
Benchmark Bank PLC Premier Account				
86 Newman Street, W1P 3LD. 071-631 3313				
£2,500-£10,000	9.00	6.75	9.31	Qtr
£10,001-£20,000	9.25	6.9375	9.58	Qtr
£20,000+	10.00	7.50	10.38	Qtr
Brown Shipley & Co Ltd				
Founders Court, Lothbury, London EC2 071-606 9833				
HICA	9.00	6.75	9.23	Qtr
Prof Demand A/c	8.875	6.66	9.10	Qtr
Caledonian Bank Plc				
8 St Andrew Square, Edinburgh EH2 2PP 031 556 8235				
HICA	10.00	7.50	–	Yearly
Cater Allen Ltd				
25 Birchin Lane, London EC3V 9DJ 071-623 2070				
HICA	9.25	6.9375	9.6524	Mth
Consort £5,000 min	09.7500	7.3125	10.1977	Mth
TESSA	10.25	–	10.7455	Mth
Charterhouse Bank Limited				
1 Paternoster Row, EC4M 7DH. 071-248 4000				
£2,500-£19,999	9.25	6.94	9.65	Mth
£20,000-£49,999	9.50	7.13	9.92	Mth
£50,000-£99,999	9.75	7.31	10.20	Mth
£100,000+	10.00	7.50	10.47	Mth
$5,000-$49,999	3.75	2.81	3.82	Mth
$50,000-$99,999	4.25	3.19	4.33	Mth
$100,000-$199,999	4.50	3.38	4.59	Mth
$200,000+	4.75	3.56	4.85	Mth
Many other currencies are available—for rates please phone ext 2168				
Clydesdale Bank PLC				
30 St Vincent Place, Glasgow G1 2HL 041 248 7070				
£2,000-£19,999	8.25	6.19	8.51	Qtr
£20,000-£49,999	8.70	6.53	8.99	Qtr
£50,000+	9.20	6.90	9.52	Qtr
Co-operative Bank				
PO Box 300, Skelmersdale, Lancs 0800 [illegible]				
TESSA				
TESSA	11.50	–	–	Yearly
Investment 90 — 90 Day Notice Savings				
£50,000+	10.75	8.10	11.01	6-Mth
£25,000-£49,999	10.50	7.90	10.81	6-Mth
£10,000-£24,999	9.50	7.10	9.71	6-Mth
£5,000-£9,999	8.25	6.20	8.44	6-Mth
Pathfinder – Card Based Current Account				
All Balances	10.00	7.50	10.50	Mth
Top Tier— Instant Access Savings				
£50,000+	9.50	7.10	9.71	6-Mth
£10,000-£49,999	9.00	6.75	9.21	6-Mth
£5,000-£9,999	7.75	5.80	7.90	6-Mth
£2,000-£4,999	7.25	5.40	7.40	6-Mth
£1-£999	3.50	2.60	3.50	6-Mth
Ultra Interest Bearing Current Account				
£20,000+	6.50	4.90	6.70	Mth
£5,000-£19,999	5.50	4.10	5.60	Mth
£500-£4,999	3.00	2.25	3.00	Mth
£1-£499	2.00	1.50	2.00	Mth
Coutts & Co				
Reserve Account				
440 Strand, London WC2R 0QS 071-753 1000				
For personal customers				
£50,000+	9.125	6.84	9.44	Qtr
£20,000-£49,999	8.625	6.47	8.91	Qtr
£5,000-£19,999	8.125	6.09	8.38	Qtr
For businesses, charities and societies				
£100,000-£1,000,000	8.50	6.40	8.78	Qtr
£25,000-£99,999	8.25	6.19	8.51	Qtr
£10,000-£24,999	7.625	5.72	7.85	Qtr
Coutts Composite Account for clients money				
27 Bush Lane, London EC4R 0AA 071-623 3434				
Rates negotiable up to	10.25	–	–	–
Dartington & Co Ltd Investment HICA				
70 Prince St, Bristol BS1 4QD 0272 213206				
£50,000-£1m	9.50	7.13	9.84	Qtr
£25,000-£49,999	9.25	6.94	9.58	Qtr
£5,000-£24,999	9.00	6.75	9.31	Qtr
Financial & General Bank plc				
13 Lowndes Street, London, SW1X 9EX 071-235 0036				
H.I.D.A. £50,000	10.85	8.137	11.12	6-Mth
H.I.D.A. £10,000-£50,000	10.50	7.875	10.77	6-Mth
Gartmore Money Management Ltd				
2-3 White Hart Yard, London SE1 1NX 071-236 1425				
Money Mngt. Acct.	8.88	6.66	9.18	3-Mth
Girobank plc High Interest Cheque Acc				
10 Milk St, London EC2V 8JH 071-600 6020				
£1,000-£3,999	7.50	5.63	7.50	Yearly
£4,000-£9,999	8.25	6.19	8.25	Yearly
£10,000-£49,999	8.75	6.56	8.75	Yearly
£50,000	9.25	6.94	9.25	Yearly
Halifax Bldg Soc Asset Reserve Cheque Acc				
Trinity Road, Halifax HX1 2RG 0422 335333				
£5,000-£9,999	9.40	7.05	9.74	Qtr
£10,000-£24,999	10.20	7.65	10.60	Qtr
£25,000-£49,999	10.60	7.95	11.03	Qtr
£50,000 and above	11.25	8.44	11.73	Qtr
Humberclyde Finance Group				
Chalky Ct, Winchester Rd, Basingstoke 0256 841863				
£50,000+	10.50	7.88	10.82	Qtr
Kleinwort Benson Ltd				
158 Kentish Town Rd, London NW5 2BT 071 267 1586				
H.I.C.A. (£2,500+)	9.95	7.4625	10.43	Daily
Lloyds Bank — Investment Account				
71 Lombard St, London EC3P 3BS 0272 433372				
£50,000 and above	10.40	7.80	10.40	Yearly
£25,000+	10.00	7.50	10.00	Yearly
£10,000+	9.80	7.35	9.80	Yearly
£5,000+	8.40	6.30	8.40	Yearly
Midland Bank plc				
PO Box 2, Sheffield. 0742 529394				
Exchequer Acc £5000+	–	–	–	–
£10,000+	10.02	7.52	10.25	6-Mth
£25,000+	10.49	7.87	10.75	6-Mth
£50,000+	10.73	8.05	11.00	6-Mth
TESSA	11.00	–	11.00	Yearly
NatWest Crown Reserve Account				
41 Lothbury, London, EC2P 2BP 071-374 3374				
£25,000 and above	10.25	7.69	10.65	3-Mth
£10,000 to £24,999	10.00	7.50	10.38	3-Mth
£2,000-£9,999	9.625	7.22	9.98	3-Mth
Provincial Bank PLC				
30 Ashley Rd, Altrincham, Cheshire 061-928 9011				
H.I.C.A. (£1,000+)	8.75	6.56	9.11	Mth
Royal Bank of Scotland plc Premium Acc				
42 St Andrew Sq, Edinburgh EH2 2YE. 031-228 5650				
£50,000+	9.50	7.13	9.84	Qtr
£25,000-£49,999	9.20	6.90	9.52	Qtr
£10,000-£24,999	8.75	6.56	9.04	Qtr
£2,500-£9,999	8.10	6.08	8.35	Qtr
Save & Prosper/Robert Fleming				
16-22 Western Rd, Romford RM1 3LB. 0708 766966				
Bonus R1,000+ Chest Acc	9.00	6.75	9.42	Daily
TESSA Fixed 1 Year	8.65	–	9.00	Mth
TESSA Variable	10.55	–	11.07	Mth
Sterling Bank & Trust Ltd				
Abbey Gdns, 6 Abbey St, Reading RG1 3BA 0734 592543				
HIDA £2,500+	11.15	8.36	11.46	6-Mth
Tyndall & Co Ltd				
29-33 Princess Victoria St, Bristol 0272 744720				
Demand Acc	09.25	6.94	09.58	Qtr
HIMA	09.13	6.84	09.44	Qtr
HIMA £100,000+	09.38	7.03	09.70	Qtr
Master Plus	09.13	6.84	09.44	Qtr
TESSA	09.88	–	10.25	Qtr
United Dominions Trust Ltd				
PO Box 135, Abbey St, Reading RG1 3EB 0734 580411				
Capital Plus Cheque Account				
£1,000+	9.90	7.43	10.27	Qtr
J. Henry Schroder Wagg & Co Ltd				
120 Cheapside, London EC2V 6DS 071-382 6000				
Special Acc	9.625	7.22	9.95	Mth
£10,000 and above	9.875	7.41	10.22	Mth
Western Trust High Interest Cheque Acc				
The Moneycentre, Plymouth PL1 1SE 0752 224141				
£25,000+	10.00	7.50	10.38	Qtr
£5,000-£24,999	9.75	7.31	10.11	Qtr
£1,000-£4,999	9.50	7.13	9.84	Qtr
Wimbledon & South West Finance PLC				
114 Newgate St, London EC1 7AE 071-606 9485				
High Int Cheque Acc	10.60	7.95	11.03	Qtr

NOTES– Gross: Contractual rate of interest payable, not taking account of the deduction of basic rate income tax. Net: Rate of interest payable after allowing for deduction of basic rate income tax. Gross CAR: Gross rate annualised to take account of compounding of interest paid other than once a year. 'Compounded Annual Rate'. Int Cr: Frequency at which interest is credited to the account.

JOTTER PAD

MONEY MARKETS

UK market squeeze

The Bank of England waited until the late afternoon before relieving a sharp liquidity shortage in the London money market yesterday. The bank made an early liquidity shortage forecast of £1.6bn but this was later revised to £1.8bn and later £2bn.

In an early round of assistance the Bank purchased treasury bills totalling £873m for resale to the market at 10⅞ to 10¾ per cent on October 21, the first repurchase operation since base rates were cut to 10.5 per cent on September 4.

In the afternoon the Bank purchased an additional £368m treasury bills and band 1 and band 2 bank bills at 10¾ per cent.

Late assistance totalling £425m was also provided but this left total assistance at £1.686bn, £334m short of the liquidity shortage. This residual shortage of funds forced overnight money rates *up to 13 per cent in the* afternoon before subsiding to 12 per cent by the close.

The key three-month interbank rate closed at 10⅞ - ¾ per cent, 10⅞ - ¾ per cent on Tuesday.

In Tokyo, the Bank of Japan was seen to signal that recent speculation about an immediate easing of monetary conditions was overdone. Faced with a Y2,000bn liquidity shortfall, due mainly to an outflow of corporate tax payments, the Bank injected just Y1,600bn of fresh funds.

The action had little impact on short term rates, with overnight money quoted at 6⅝ per cent, unchanged from Tuesday. However, analysts took it as a sign that there will be no immediate relaxation of monetary conditions, despite the announcement on Tuesday that reserve requirement for Japanese banks will be relaxed.

In Frankfurt, the Bundesbank covered *in full* a liquidity shortfall of DM46.7bn resulting from the expiry of two outstanding repurchase pacts. The bank accepted bids for DM48bn at its latest repurchase operations, allocating 35-day funds at 9 per cent and 63 day funds at 9.05 per cent.

Elsewhere, analysts noted proposed package of Italian budget measures unveiled on Tuesday contained a proposal to remove the 25 per cent *witholding tax payable on* interbank deposits. Analysts said the removal of the tax would promote the development of the interbank market in Italy and could contribute to an easing of money market rates.

UK clearing bank base lending rate
10.5 per cent
from September 4, 1991

FT LONDON INTERBANK FIXING

(11.00 a.m. Oct 2) 3 months US dollars		6 months US Dollars	
bid 5⅛	offer 5¼	bid 5 7/16	offer 5 9/16

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

4pm		Treasury Bills and Bonds			
Prime rate	8	One month	5.09	Three year	6.24
Broker loan rate	7¼	Two month	5.49	Four year	6.42
Fed.funds	5	Three month	5.22	Five year	6.88
Fed.funds at intervention	5	Six month	5.34	Seven year	7.27
		One year	5.41	10-year	7.47
		Two year	6.01	30-year	7.83

Oct.2	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	9.05-9.15	9.00-9.15	9.05-9.20	9.20-9.35	9.25-9.40	9.25
Paris	9¼-9⅛	9¼-9⅛	9¼-9⅛	9⅜-9½	9⅛-9⅜	9.25
Zurich	7⅞-7⅝	8-8¼	-	8-8¼	-	-
Amsterdam	9.15-9.30	9.15-9.20	-	9.25-9.30	-	-
Tokyo	6⅝-6⅞	6⅝-6⅞	-	6⅝-6⅞	-	-
Milan	10⅞-11	11⅛-11⅜	-	11⅛-11⅜	-	-
Brussels	9.12-9.25	9⅛-9¼	-	9¼-9⅜	-	-
Dublin	10-10⅛	10-10⅛	10 1/16-10 3/16	10 1/16-10 3/16	10 1/16-10 3/16	-

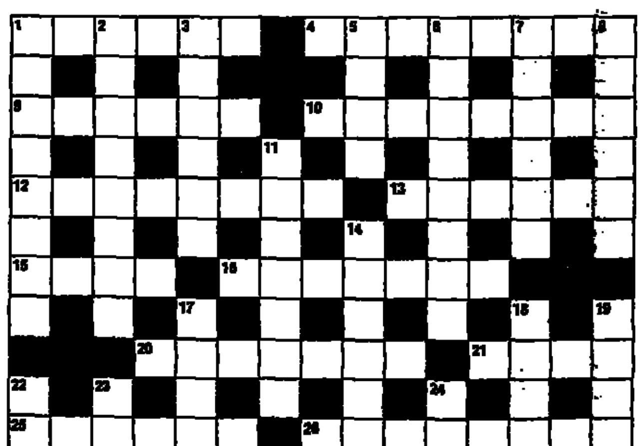
LONDON MONEY RATES

Oct 2	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	13	10¾	10⅞	10¾	10⅝	10⅝
Interbank Bid	10⅛	10½	10¾	10⅝	10½	10½
Sterling CDs	–	–	10 11/16	10⅝	10½	10½
Local Authority Deps.	10¾	10¾	10 11/16	10⅝	10½	10⅜
Local Authority Bonds	–	–	–	–	–	–
Discount Mkt Deps	11½	10⅝	–	–	–	–
Company Deposits	–	–	10 13/16	10⅝	10⅝	10¼
Finance House Deposits	–	–	10⅞	10⅝	10⅝	10⅝
Treasury Bills (Buy)	–	–	10¼	9 13/16	9⅝	–
Bank Bills (Buy)	–	–	10⅝	9⅞	9⅝	–
Fine Trade Bills (Buy)	–	–	–	–	–	–
Dollar CDs	–	–	5.40	5.35	5.53	5.63
SDR Linked Dep. Offer	–	–	7⅝	7⅛	7⅝	7⅛
SDR Linked Dep. Bid	–	–	7⅜	7⅛	7⅜	7¼
ECU Linked Dep. Offer	–	–	10	10	10	9 15/16
ECU Linked Dep. Bid	–	–	9⅞	9⅞	9⅞	9¾

Treasury Bills (sell); one-month 10¼ per cent; three months 9 15/16 per cent; six months 9 9/16 per cent; Bank Bills (sell): one-month 10⅝ per cent; three months 9 13/16 per cent; Treasury Bills; Average tender rate of discount 9.6979 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day September 30 ,1991 . Agreed rates for period Oct.26, 1991 to November 25 , 1991, Scheme I: 11.70 p.c., Schemes II & III: 11.64 p.c. Reference rate for period August 31, 1991 to September 30 , 1991, Scheme IV&V: 10.351 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 11 from September 1 , 1991: Bank Deposit Rates for sums at seven days notice 4 per cent. Certificates of Tax Deposit (Series 6); Deposit £100,000 and over held under one month 7 per cent; one-three months 9½ per cent; three-six months 9 per cent; six-nine months 9 per cent; nine-twelve months 9 per cent; Under £100,000 7 per cent from Sept 5,1991 , Deposits withdrawn for cash 5 per cent.

CROSSWORD

No.7,662 Set by HIGHLANDER



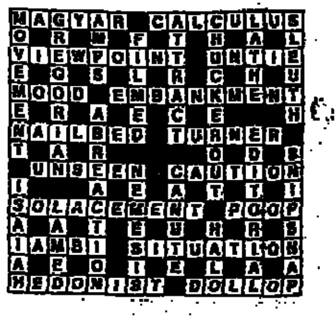
ACROSS

1 He went against the tide, requiring Church to accept a head (6)
4 Where spectators sit – not on rugby player! (5-3)
9 Goose with pasta (6)
10 Advance publicity appearing before The She-Devil (8)
12 She usually stays on water but is sometimes loaded with sherry (8)
13 Choke is felt to require adjustment (6)
15 Grub found in lettuce at state banquet (4)
16 *I am sick* about the boy's affair (7)
20 Fumes from aromatic substances are extremely irritating (7)
21 Thin metal baffle used in fencing (4)
25 Knowing university is in a bad state (6)
26 Something neglected by leader of overseas delegation (8)
28 Condemn to be transported from 'ere (8)
29 A person with a soft reversible hat (6)
30 General area covered by butcher (8)
31 Without me, college disciplinarian would be lower in status (6)

DOWN

1 Scattered traces in food container (8)
2 Recent convert is wrong one to do battle with verbally (8)
3 Fat and big – old women's size (6)
5 Call Hilary: it's time for school (4)
6 Cancellation, for example *during race* (8)
7 United below par? That's something unique (3-3)
8 Promote the development of rest of resort (6)
11 Free transport ran down turnover (7)
14 Lose rest perhaps, however charming (7)
17 Two articles go over the mark – a detestable thing (8)
18 One of several popes with reportedly handsome features (8)
19 Worker in flat is attacked by gardeners on lawn (8)
22 *Here* and there motorway climbs, following route through the Peaks (6)
23 Is not at all generous with work *allocations* (6)
24 Get away with two points, then another point (6)
27 At bottom of pass vehicle runs into cliff-face (4)

Solution to Puzzle No.7,661



WORLD STOCK MARKETS

AUSTRIA

October 2	Sch	+ or –
Austrian Airlines	2,760	–60
Creditanstalt	330	–4
EA-General	5,280	+30
EVN	899	....
Jungbunzlauer	10,199	+49
Laenderbank	1,020	–2
OeMV	998	–4
Perlmooser Zement	1,795	....
Radex Heraklith	741	–1
Reininghaus Brau	1,840	+10
Steyr Daimler	349	–1
Veitscher Magnesit	462	–7
Verbund (Br) A	512	–2
Wienerberger	5,595	–20

BELGIUM/LUXEMBOURG

October 2	Frs.	+ or –
ACEC-Union Min	1,940	–50
Arbed	4,480	+280
BBL	2,740	+20
Bank Intl a Lux	10,800	....
Bqe Gen Lux Pts	12,250	....
Barco	948	+6
Bekaert	9,560	+40
CBR Ciment	7,800	–20
Cobepa	4,970	+35
Cobepa AFV 1	4,870	....
Cockerill Priv	163	+3
Colruyt	3,670	–20
Delhaize Frs Lion	7,670	–20
Electrabel	4,585	....
Electrabel AFV	4,460	+10
Electrafina ACT	2,560	....
Fabrique Nat	102	–8
GBL	3,080	–10
GBL AFV 1	3,020	–5
GIB Group	1,232	+2
GIB Group AFV	1,186	+4
Gechem	522	–4
Gechem AFV	490	....
Generale Banque	5,490	+90
Gen Banque AFV1	5,490	+40
Gevaert	6,540	–60
Kredietbank	3,925	–25
Kredietbk AFV	3,945	....
Pan Holding Lux	13,700	+50
Petrofina	10,825	–50
Powerfin	2,305	–5
Powerfin AFV	2,270	+20
Royale Belge	3,860	–10
Royale Belge AFV 1	3,810	+20
Soc Gen Belge	2,040	+5
Soc Gen Belge AFV	1,985	–70
Sofina	11,000	–50
Solvay	12,475	+75
Tessenderlo	5,800	....
Tessenderlo AFV	5,800	....
Tractebel	7,410	–30
Tractebel AFV 1	7,300	–100
UCB	18,500	–25
UCB AFV	18,000	–25
Wagons Lits	6,770	–230
Wagons Lits AFV	6,400	....

DENMARK

October 2	Kr	+ or –
Baltica Holding Reg	730	+10
Bikuben	318	....
Carlsberg A	1,980	+20
D/S 1912 A	104,000	–100
Danisco	1,020	....
Den Danske Bank	320	–1
East Asiatic	187	–1
FLS Ind B	718	–16
Great Nordic	400	....
Hafnia Hldgs A	680	+2
Hafnia Hldgs B	492	+4
ISS Intl Serv B	814	–4
Jyske Bank Reg	355	....
Lauritzen (J) B	1,630	–10
NKT A/S	377	–1
Novo Nord B	487	....
Sophus Berend B	1,830	....
Superfos	5,550	....
TopDanmark	980	–20
Unidanmark A	243	–2

FINLAND

October 2	Mka	+ or –
Amer	55	+1
Cultor	52	....
Enso R	15.30	+1.30
Huhtamaki I Free	80	+2.20
KOP	23	....
Kone	415	+10
Kymmene	62	+2
Metra B Free	60.50	....
Nokia Pref Free	77.90	+2.90
Pohjola B Free	62.40	....
Repola (Free)	41.50	+0.40
Stockmann B	120	+2
Tampella Free	11	....
Unitas Bk C Free	14	....

FRANCE

October 2	Frs.	+ or –
Accor	795	–2
Air Liquide	680	–3
Alcatel Alsthom	603	–1
Arjomari Prioux	2,414	–1
Auxil Entrepr	1,000	–30
Axa	960	+2
BIC	745	+13
BSN	967	+5
BNP Cert Inv	316.10	–0.40
Bancaire Cie	535	–7

FRANCE (continued)

October 2	Frs.	+ or –
Beghin-Say	631	....
Beghin-Say Cert Inv	470	....
Bongrain	2,275	–35
Bouygues	608	+3
CGIP	1,023	–17
C M B Packaging	149.40	+0.40
Canal+	1,059	+14
Cap Gemini S	305.70	–3.40
Carrefour	2,096	–27
Casino	148.60	+1.10
Cetelem	602	–10
Chargeurs	921	....
Club Mediterranee	455.90	–7.10
Cogifi	371.20	+26.20
Coparex	590	....
C C F	178	–1
Cr Fonc France	1,098	....
Cred Lyon (CI)	534	+20
Credit National	1,185	....
Damart	2,150	–1
Docks de France	375	–1
Dollfus Mieg Cie	336.10	+1.10
EBF	775	+25
Eaux Cie Genl	2,439	–63
Ecco	399.90	+4.90
Elf-Aquitaine	405.70	–0.60
Elf-Aquitaine Certs	266	+4.20
Essilor Int	325.90	–0.20
Elex	1,840	+20
Eurafrance	1,548	+7
Eurocom	765	–33
Euro Disney	137.40	+0.90
Exor	1,295	–6
Finextel	132	+1.90
Fonc Lyonnaise	663	+25
From C et Aw	2,415	....
GTM-Entrepose	415	–4.80
Gal. lafayette	1,615	–6
Gaumont (Soc N)	700	....
Gen Occidentale	796	+1
Geophysique	758	–2
Hachette	182.70	–5.30
Havas	490	–5.50
Imetal	284	+5
Imm de France	990	+20
Immobanque	709	+13
Immob Phenix	177.50	–2.50
Industrielle	5,000	....
Interbail	455	+1
Intertechnique	929xd	+19
LVMH	4,194	–4
Lafarge Coppee	361.80	–0.70
L'Oreal	671	–2
Legrand	4,020	–84
Lyon Eaux Dumez	549	–5
Matra	193.50	+2
Merlin-Gerin	535	....
Michelin B	128	....
Moulinex	156.90xd	–0.60
Navigation Mixte	1,275	+1
Nord Est	103	+0.40
Orsan	194.60	+0.10
Paribas	442	–5.70
Paris Reescompte	285	....
Pernod Ricard	1,252	....
Perrier	1,343	–4
Peugeot	616	–3
Pinault	277	–5
Poliet	458	–7
Printemps (Au)	884	–6
Promodes	2,600	+11
Radiotechn	505	–3
Redoute	4,715	–15
Rhone Poulenc Cts	419	–7.50
Roussel-Uclaf	1,920	....
SILIC	595	+7
Sagem	1,675	–5
Saint Gobain	474.20	–0.80
Saint Louis	1,380	–22
Sanofi	983	–2
Schneider	715	–21
Seb SA	1,692	–8
Sefimeg	510	+24
Simco	500	+10
Skis Rossignol	795	....
Soc Generale de Fr	460.60	–1.20
Sommer-Allibert	1,424	–11
Spie Batignolles	490.10	+3.10
Suez (Fin de)	320.30	–4.70
Taittinger	3,260	–10
Thomson C S F	150.40	–1.70
Total B	868	–22
UAP	529	+1
UFB Locabail	348	–6
Unibail	709	+24
Union Immob Fr	560	+18
Valeo	541	+5
Vallourec	323.70	–4.80
Worms Cie	345	+8

GERMANY

October 2	Dm.	+ or –
AEG	183	+5
AG Ind & Verk	760	–20
Aachen Mch (Reg)	822	–3
Allianz AG	2,010	–22
Altana Ind	629	+1.50
Asko	860.50	–9.50
Asko Prf	782	....
BASF	250	+0.60
Badenwerk	255	+1
Bayer	290.70	+1
Bayer-Hypo	348	+7.50
BMW (Br)	486	–2
Bayer Vereinsbk	379.50	–0.80
Beiersdorf	773	+16
Berliner Bank	298	–1
Berliner Kraft	123.50	+1.50
BHF Bank	369	+6
Bilfing Berg	914	–12
Colonia Knzn	850	–5
Colonia Konzern Pf	595	....

GERMANY (continued)

October 2	Dm.	+ or –
Commerzbank	238.50	+0.70
Continental AG	207	–3.50
DLW	505	–4
Daimler-Benz	705.50	+0.30
Deckel (Fr)	147.60	–0.40
Degussa	325.50	–8
Deutsche Babcock	158	–1.40
Deutsche Bank	645.80	+2
Didier-Werke	169	+7.50
Douglas Hldg	728	+13
Dragerwerk	316	+1
Dresdner Bk	338.50	+0.50
Fag Kugelfischer	274.80	+0.30
Gerresheimer	443	–7
Goldschmidt (TH)	725	–5
Hamburg Eletr	186.50	+3.20
Hapag Lloyd	471	....
Heidelb Zem	1,005	–10
Henkel Prf	543.50	–6.80
Herlitz	403	–0.80
Hochtief	1,157	–13
Hoechst	244.20	–0.60
Hoesch	297	–2
Holzmann Ph	1,210	–1
Horten	189	–3
Industriekredit	254	+3
Industrie Werke	306	–2
Kali & Salz	164	....
Karstadt	607	–6
Kaufhof	518	–2
KHD	149.50	–3.50
Klockner Werke	136	–2
Lahmeyer	920	–11
Leifheit	658	....
Linde	810	....
Linotype-Hell	444.50	–70.50
Lufthansa	152.30	+2.10
Lufthansa n/v Prf	124	....
MAN	372.50	–2.50
MAN Pref	298	–0.80
Mannesmann	270	+1.40
Mannheim Vers	720	–20
Mercedes Hld	543.20	+0.20
Metallgesellschaft	437	–6.50
Muench Rueck (Reg)	2,290	–10
PWA	240	....
Philips Kommun	525	+18
Porsche	672	+11
Preussag	371	+0.10
Rheinelektra	1,380	–30
Rheinmetall Berlin	340	+8
Rheinmetall Prf	263	+11
Rhein West El	385.50	+1.60
Rhein West El Prf	319	+2.50
Rosenthal	254	+2.50
Schering	785	–5.20
Schmalbach Lubeca	541	+6
Siemens	636.40	–2.50
Springer Axel Rg	550	–10.50
Sud Chemie	565	....
Thyssen	228.50	–0.50
Varta	317.50	+3.50
Veba	350.50	+0.70
VEW	204.50	+4.70
Verein-West	360	....
Viag	400.50	+0.50
Volkswagen	353.30	–2.60
Volkswagen Prf	304.50	–1.70
Wella Prf	652	....
Zanders Feinpap	265	+4

ITALY

October 2	Lire	+ or –
Banca Comm	4,550	+65
Banca Naz Agric	7,080	+160
Banco Lariano	5,760	+60
Bastogi-I R B S	192	....
Burgo (Cartiere)	10,020	+80
CIR	2,430	+70
Caffaro Spa	852	+13
Cementir	2,725	+40
Cigahotel	2,040	....
Cofide Fin	2,570	+20
Credito Italiano	2,463	+29
Danieli & C	7,750	....
EniChem	1,460	+5
Eridania	7,680	+91
Ferruzzi Fin	1,980	+17
Fiat	5,370	+110
Fiat Priv	3,550	+49
Fidis	5,248	+48
Fondiaria	36,580	+580
Gemina	1,479	+37
Generali Assicur	25,840	–10
Gilardini	2,852	+82
IFI Priv	14,500	+280
Italcable	5,820	–145
Italcementi	22,120	–180
Italgas	3,310	+26
Lloyd Adriatico	13,660	+170
Magneti Marelli	812	–10
Mediobanca	15,260	+60
Montedison	1,235	+16
Olivetti	3,060	....
Pirelli & Co	7,050	+140
Pirelli Spa	1,817	+22
RAS	17,800	+390
Rinascente (La)	7,460	+9
SASIB	7,840	–50
SIP	1,158	....
Saffa A	7,975	–45
Saipem	1,555	+10
Sirti Spa	11,225	+79
SMI	1,041	–4
Snia BPD	1,281	+15
STET	1,999	....
Toro Assicur	22,200	+720
Tosi Franco	30,800	+200
Unicem	11,450	+130

NETHERLANDS

October 2	Fls.	+ or –
A B N Amro Holding	39.70	+0.70
ACF Hld Dep Recs	33	....
AEGON	110.30	+0.50
Ahold	82.40	+0.20
AKZO	115.90	–1.20
AMEV Dep Recs	46.50	–0.30
Bols Lucas Dep Recs	42.30	–0.30
Borsumij W Dp Rcs	59.50	+0.90
Buhrmann T Dp Rcs	46.10	–0.50
CSM Dep Recs	81.70	+0.20
DAF	20.90	+0.40
DSM	101.80	–0.80
Dordtsche Petr	141	–0.20
Elsevier Dep Recs	89.90	+0.40
Fokker Dep Recs	30.30	+0.30
Gamma	95.20	–1.60
Gist Broc Dep Recs	33.20	+0.10
Heineken	154.20	+0.20
Hollnd Beton	214	+1
Hoogovens Dep Recs	55.80	–0.30
Hunter Douglas	73.50	–0.60
IHC Caliand	61.90	+0.90
Int Nedlnd Dep Recs	46.90	+0.10
Intl Mueller	71.80	+1.10
KLM	31.70	+0.30
KNP	45.70	–0.30
Kon Pakhoed DpRcs	44	+0.20
Kempen	10.20	–0.10
Nedlloyd	56.20	+0.40
Nijverd-Ten Cate	94.50	....
Natr Ver Bed Dp Rcs	153	....
Oce V Grint	56.20	+0.80
Ommeren (Van) Dp Rcs	41.30	–0.10
Philips	33.40	–0.20
PolyGram	39.60	–1.20
Robeco	100.20	+0.20
Rodamco	53.70	+0.10
Rolinco	100.50	+0.40
Rorento	68.90	–0.10
Royal Dutch	151	–0.70
Unilever Dep Recs	163.30	–0.10
VNU	75.50	–0.20
VMF Stork	45.80	+0.80
Wessanen Dep Recs	84.70	+1
Wolters Kl Dep Recs	57.10	–0.20

NORWAY

October 2	Kroner	+ or –
Aker A Free	75	–2.50
Bergesen A	170	–3
Christiania Bk Free	17.50	+0.75
Den norsk Bk Free	57	....
Dyno Ind	130	–2
Elkem Free	107.50	....
Hafslund Nyc A Free	244.50	–0.50
Kvaerner Free	235	....
Leif Hoegh	101	+2
Nora Ind A Free	250	....
Norsk Data A	8.50	....
Norsk Hydro	180.50	–3
Norske Skog A Free	123	+1
Orkla Borreg Free	176	–4
Saga Pet A Free	121	–4
Saga Pet B Free	117.50	+1
Skaugen (I M)	10.05	–0.35
Storli B	135	–2
UNIStorebrand Free	98	....
Unitor	100	–0.50
Vard A	84.50	–1.50

SPAIN

October 2	Pts.	+ or –
Alba (Corp Fin)	5,250	–10
Aragonesas	1,110	–5
Asland	2,250	–90
Banco Bilbao Vizc	3,220	–40
Banco Central	4,090	–10
Banco Exterior	3,950	+10
Banco Hispano	3,235	–25
Banco Popular	10,990xd	–130
Banco Santander	5,050	–20
Banesto	3,590	....
CEPSA	2,275	+5
Carburos Metal	4,850	–95
Dragados	2,205	....
Ebro Agricolas	2,585	–10
Electra Viesgo	2,530	–70
Endesa (Br)	2,645	–35
Ercros	645	–30
Fecsa	761	....
Grupo Duro Felg	1,275	–15
Hidroel Cantabr	1,860xd	–70
Iberdrola	723	–4
Koipe	4,130	....
Mapfre	5,250	....
Metrovacesa	5,230	–50
Portland Vald	15,300	–370
Repsol	2,795	–40
SNIACE	226	–20
Sarrio	750xr	–27
Sevillana Elec	584	–7
Tabacalera A	5,420	–30
Telefonica	1,120	–20
Tudor	955	–25
Union Fenosa	576	–5
Union y el Fenix	5,850	–150
Uralita	1,350	....
Urbis Ser 2	1,255	....
Vallehermoso	3,000	–15

SWEDEN

October 2	Kronor.	+ or –
AGA B Free	315	–2
Asea B Free	375	–3
Astra A Free	532	–3
Astra B Free	524	–4
Atlas Copco B	258	–5
Electrolux B Free	265	–5

SWEDEN (continued)

October 2	Kronor.	+ or –
Ericsson B Free	156	–3
Esselte B Free	135	–3
Gambro B Free	232	–3
Incentive B Free	185	–1
Mo Och Dom B Free	250	....
Nobel Free	42	+2
Procordia B Free	207	+1
Sandvik B Free	363	+1
Skandia Free	190	–1
Skan Enskilda C	58.50	–1.50
SKF B Free	108	–3
Stora Kopp B	320	+10
SCA B Free	99	–2
Svka.Handl.B Free	107	–1
Trelleborg B Free	113	–4
Volvo B Free	354	+2

SWITZERLAND

October 2	Frs.	+ or –
Adia Intl (Br)	800	+7
Adia Ptg Cts	127.50	–5.50
Alusuisse Lonza	1,030	+20
Alusuisse Ptg Cts	86	–0.50
Baloise Ptg	1,900	+40
Brown Boveri (Br)	4,460	+50
Brown Boveri Ptg	826	+6
CS Hldgs (Br)	2,070	+20
Ciba Geigy (Br)	3,140	+20
Ciba Geigy (Reg)	3,020	+50
Ciba Geigy (Pt Cts)	2,980	+80
Elektrowatt	2,740	–10
Elvia	2,020	+20
Fischer (Geo)	1,250	+10
Fischer Ptg	208	+3
Forbo	2,310	+100
Holderbk (Br)	4,850	....
Holzstoff (Br)	5,100	....
Jelmoli	1,670	+25
Jelmoli Ptg Cts	330	+20
Landis & Gyr	1,140	+15
Landis & G Prior Ptg	96	+1
Leu Hold (Br)	1,760	+10
Leu Hold Ptg	285	–4
Mag Globus Ptg	850	–5
Mikron (Reg)	350	....
Motor-Columbus	1,250	+10
Nestle	8,240	+30
Nestle (Reg)	8,060	+30
Oer-Buehrle	390	....
Pargesa Hld	1,250	....
Pirelli	380	....
Richemont	14,850	+200
Roche (Br)	7,770	+40
Roche (Genuss)	4,980	+30
Sandoz Br	2,260	+20
Sandoz Pt.Cts.	2,130	+10
Sandoz Reg	2,210	+10
Schindler (Br)	4,560	+10
Schindler (Pt Cts)	859	–6
Sika Reg A	800	....
Surveillance (Br)	7,320	+70
Swissair	742	–13
Swiss Bank (Br)	313	+5
Swiss Bank Ptg	277	+4
Swiss Reinsurance	2,600	+20
Swiss Reins Ptg	513	+5
Swiss Volksbk	1,180	....
Union Bank Br	3,440	+70
Union Bank Ptg	134.50	....
Winterthur	3,570	+30
Winterthur Ptg	684	+17
Zurich Ins	4,280	+40
Zurich Ins Ptg	1,965	....

SOUTH AFRICA‡

September 30	Rand	+ or –
AECI	10.60	....
Allied Tech	85	....
Anglo Am Coal	128	....
Anglo Am Corp	114.75	....
Anglo Am Gold	213	....
Barlow Rand	48	....
Buffels	33.50	....
CNA Gallo	31	....
De Beers/Centenary	86.25	....
Deelkraal Gold	7.30	....
Driefontein	36.75	....
East Rand Gold	7	....
Elandsrand Gold	21.25	....
First Nat Bank	48.40	....
Free State Cons Gold	23.50	....
Gencor	12.45	....
Gold Fields SA	66.75	....
Hartebeest	16.25	....
Highveld Steel	15.70	....
ISCOR	2.01	....
Kinross Gold	43	....
Kloof Gold	29	....
Libanon Gold	2.40	....
Liberty Life SA	37	....
Malhold	28.75	....
Nedcor	13.25	....
O K Bazaars	12.50	....
Palabora Mng	76.50	....
Rembrandt Grp	23.25xd	....
Rembrandt Cntrl	17.50xd	....
Rust Plat	60.50	....
Safmarine & Rennie	76	....
Sage Hlds	8	....
Smith (CG) Ltd	100	....
SA Brewers	54.75	....
SA Man Amcor	28.75	....
Tiger Oats	34	....
Tongaat Hulett	18	....
Vaal Reefs	204	....
Western Deep	107	....

CANADA

TORONTO

4:00 pm prices October 2

Quotations in cents unless marked $

Sales	Stock	High	Low	Close	Chng
11600	Abitibi Pr	$15⅛	15	15	–⅛
7100	AgnicoEa	435	425	425	
17500	Air Cda	$7⅞	7⅝	7⅝	–⅛
7000	Albrta En	$13⅜	13⅜	13⅜	–⅛
1000	AlbNtGas	$14¼	14⅛	14⅛	–⅛
469500	Alcan Al	$22½	22	22⅛	–⅛
135400	Am Barr	$25⅛	24⅞	24⅞	
500	Atco Cl 1	$11	d11	11	
82100	Bk Montr'l	$38¼	38	38⅛	+⅛
109200	Bk Nova Sc x	$19⅝	19⅜	19⅜	–¼
6600	BC Sugar A	$14⅞	14⅞	14⅞	
54300	BCE Dev	14	13	14	
209400	BCE Inc	$44½	44¼	44¼	+⅛
3000	Belmoral	12	12	12	
2400	BGR A	$7⅞	7½	7⅞	+⅛
19300	Bomb'dierB x	$23½	23¼	23½	+⅛
14000	Bow Valley	$13½	13⅜	13⅜	–⅛
600	BP Canada x	$13	13	13	
112600	Bramalea	480	465	475	
51900	Brascan A	$18⅞	18¼	18⅞	
3600	Breakwater	21	21	21	–1
38600	BC Tel	$19⅞	19⅛	19⅞	+⅛
4200	Bruncor	$17⅞	17⅞	17⅞	
4900	Brunswick	$7	d7	7	–⅛
318600	CAE Ind	$7½	7¼	7⅜	
14400	Cambior	$9⅝	9⅜	9⅝	+⅜
11700	Cambridge x	$28⅞	28	28¼	+⅜
2500	C'bell Res	40	40	40	
5000	Campeau Cp	62	50	60	
156000	CanImpBk x	$31⅛	30⅞	31	–⅛
136000	Can Northw	35	35	35	
8200	Can Occid	$23⅞	23⅝	23⅝	–¼
113500	Can Pac x	$18	17¾	17⅞	
600	Can Tire	$24½	24	24	
42800	CanTire A	$22⅜	22	22¼	+⅛
19800	Can Util A x	$19⅝	19⅝	19⅝	
89400	Can Util B	$19½	19¼	19½	
17000	Canamax	30	30	30	
5800	Cantor	$21¾	21½	21¾	
700	CnPcForest	$29¼	29	29¼	+¼
12600	Cara Op	$5½	5¼	5½	+¼
500	Cascades	$5⅝	5⅝	5⅝	
500	Celanese	$38¼	38¼	38¼	
6600	Cntrl Cap	185	185	180	–10
25900	Cinepx Odn	390	385	390	–5
2700	Cntrl Fd A	445	d435	445	

Sales	Stock	High	Low	Close	Chng
6800	Cominco	$21⅛	21⅛	21⅛	–⅛
1700	Computalog	110	105	105	
300	CoscanDev	$7¼	7⅛	7½	
16400	CrownX A	145	140	145	+5
3500	Denison A	47	46	46	–4
3100	Derlan	$7	6⅞	7	+⅛
86300	Dofasco	$17⅝	17¼	17¼	–⅛
3000	Domtar Txt	$7	6¾	6¾	
6100	Domtar Inc	$7¾	d7⅛	7¾	+¼
17300	Du Pont A x	$38½	38	38	–⅛
48800	Echo Bay M	$9¼	9	9⅛	+⅛
28600	Emco Ltd	$6¼	6⅞	6⅛	
500	Empire	$11⅞	11⅞	11⅞	+⅛
10300	Euro Nev	$13⅛	13	13⅛	–⅛
1200	FPI Ltd	$5¾	5½	5½	–⅛
2300	Finning	$13¾	13¾	13¾	
2700	Fst Mar A x	$9⅞	9⅛	9⅛	–⅛
7000	Fortis	$22½	22¼	22½	+⅛
800	Four Seas	$17½	17½	17½	–¼
3700	FrancoNev	$19	18¾	19	
26000	Galactic	50	47	50	
100	Gendis A	$22⅞	22⅞	22⅞	
189000	Glamis Gld	340	335	340	+5
79300	Granges	145	135	145	–9
900	GW Lifeco	$14⅞	14⅞	14⅞	
8800	Gulf Cda R	$9⅛	9	9	
900	GW Utils	$17⅛	17⅛	17⅛	
400	HarrisSt A	$5¾	5⅞	5⅞	
200	Hawker Sid	$23½	23½	23½	
28400	Hees Intl	$16	d15	15⅞	–⅜
12800	Hemlo Gold	$9⅞	9⅝	9⅞	+⅛
9700	Hollinger	$11⅞	11⅞	11⅞	+⅛
12800	Home Oil	$14⅜	14½	14⅜	+⅛
73400	Horsham	$10⅜	10¼	10⅜	+⅛
400	HudsBayM&S	400	400	405	
12500	HudsonsBay	$33⅜	33⅛	33⅜	+⅛
22900	Imasco	$32⅛	31⅞	31⅞	+⅛
42300	Imp Oil	$52½	51⅞	51⅞	–⅝
92200	Inco	$35¼	34⅜	34⅜	–⅜
289800	IntCoronaA	$7⅛	6⅞	7	+¼
67000	IntprvPipe	$30¼	30⅛	30¼	
900	Invest Grp x	u$38	35⅞	38	+⅞
400	Iveco A	315	d310	310	–10
5300	Jannock	$15⅛	15¼	15¼	–⅜
3700	KerrAddis	$14½	14⅜	14½	
50900	Labatt x	$25⅛	24⅞	25⅛	+⅜
92500	Lac Mnls	$8⅝	8⅜	8⅝	
100	Lafarge	$15⅝	15⅝	15⅝	
18800	Laidlaw A	$12⅛	11⅞	12⅛	+⅛
228500	Laidlaw B	$12⅛	11⅞	12	+⅛
1300	Laurnt Bk x	$18½	18¼	18½	
1300	Laurent Gp	$7	7	7	

Sales	Stock	High	Low	Close	Chng
10400	Lannon Mer	u$10⅛	9⅞	10⅛	+⅛
4400	Loblaw	$19⅛	19⅛	19⅛	
15800	Mackenzie	$6⅝	6½	6½	–⅛
108200	Macm Bl x	$17⅞	17	17	–⅞
258900	Magna IntA	$15⅛	14⅞	15	+⅛
71300	Mpl Lf Fds	u$18⅞	18	18⅞	+⅜
3800	Marit T&T	$20⅛	20	20	
3100	Mark Res	$7	6⅞	6⅞	
303100	MDS Hth B	$19⅛	19⅛	19⅛	–½
4500	Metall Min	$10⅞	d10⅛	10⅛	+⅛
200	Minnova	$16⅝	16⅝	16⅝	
49300	Mitel Corp	114	103	114	+11
8300	Molson A	$30¼	30	30¼	+⅛
37700	Moore Corp	$27⅛	26⅝	26⅞	–¼
300	Muscocho	3½	3½	5	
134800	Nat Bk Can x	$11⅛	11	11	
8300	Noma Ind A	$7⅛	7	7	
4700	NorandaFor	$7⅞	7½	7½	
146800	Noranda	$17¼	17	17	–¼
204700	Norcn8.12	u$25⅞	25¼	25¼	–¼
28800	NorcnMVtg	$23¼	23	23¼	+¼
81400	Nth Tele	$45½	44⅞	45¼	+⅜
4700	Northgate	130	125	130	+5
104200	Nova Corp	$7⅞	7⅝	7⅝	–⅛
200	Nowsco Wlv	$9⅞	d9⅞	9⅞	
2000	Numac Oil	$5⅛	5⅛	5⅛	+⅛
21400	Ocelot A	$5¾	5½	5⅝	–¼
13800	Onex Corp	u$10⅞	10⅞	10¾	
155300	Oshawa A	$24	23½	24	+¼
142400	PWA Corp	500	445	495	+50
7000	Pagurian A	$5⅞	5⅝	5⅝	–⅛
1500	Pancdn Pet	$26½	d25⅞	25⅞	–⅜
128200	Pegasus	$12½	12⅜	12⅜	+¼
17800	Pioneer Mt	7	5	6	+1
131200	PlacerDome	$12⅜	12⅛	12¼	+⅛
3100	Poco Pet	$7⅝	7½	7½	
8500	Power Corp	$15¼	d15	15⅛	+⅛
4400	Power Fin x	$19⅝	19½	19⅝	+½
2800	Provigo x	$11½	11½	11½	
1000	Quebecor A	$18⅝	18⅝	18⅝	–⅛
13000	Ranger Oil	$8⅜	8¼	8¼	
15400	Rayrock	$6⅛	5⅞	5⅞	–⅛
1800	Reed Sten	$23½	23½	23½	+1¼
100	Reitman B	u$19⅛	19⅛	19⅛	
31700	Ren'ssance	$14⅛	13⅞	14	
25100	Repap Ent	$6⅛	6	6	–⅛
61800	Rio Algom	$15½	15⅛	15½	+⅛
283800	RogersComB	$11⅝	11⅜	11½	+⅛
500	Rothmans	$71	71	71	
56500	RoyalBkCan	$26⅞	26½	26⅝	
406300	Ryl Oak Mn	u95	90	95	+5
406500	RylTrustco	$8⅝	8¼	8⅜	

Sales	Stock	High	Low	Close	Chng
18900	StLawCm A	$13⅞	13½	13½	–¼
13600	Sceptre Rs	285	280	280	
200	ScottPaper	$22⅝	22⅝	22⅝	
600	Scotts Hos	$16⅝	16⅝	16½	
28100	Seagram Co	$129⅞	128⅝	128⅝	–⅝
14200	Sears Can	$12	11⅞	12	
14200	ShellCan A	$43½	43⅜	43½	
14100	Sherritt G	$7	7	7	
11600	SHL Syst	$5⅛	5⅛	5⅛	
3000	SNC Group	$18⅛	18⅛	18⅛	
20000	Sonora Gld	23	21	23	+5
6800	Southam	$16	15⅞	15⅞	
12700	Spar Aero	$14⅞	14⅞	14⅞	+⅛
38000	Stelco A	$5½	5¼	5⅜	–⅛
303900	Teck B	$18⅞	d18½	18⅝	
1100	Teleglobe	$10	10	10	
60900	Thomson	$14⅞	14⅜	14⅜	
105400	Tor Dom Bk	$17⅞	17⅞	17⅞	–⅛
300	Torstar B	$22	21⅞	22	+½
19300	TotalPNAm	$16⅛	15⅞	15⅞	
110300	TransAlta	$12⅞	12⅝	12⅝	
102300	Trnscan P x	$16⅝	16⅜	16½	
3600	Trimac	$8½	8½	8½	
11900	Trizec A	$11⅛	11	11⅛	+⅛
1000	UAP A	$17½	17½	17½	
8100	UnionEnt	$12½	12⅛	12½	+⅛
1100	UnitedCorp	$27½	27⅛	27⅛	–⅜
20000	UtdDomInd	$12⅛	12⅛	12⅛	–⅛
10000	Viceroy Rs	325	320	320	
21200	W'coast E	$19½	19⅜	19½	
11200	Weston Geo	$38½	d38	38½	+⅛
41700	WIC B	$11⅞	d11⅛	11⅞	+⅛

† - No voting rights or restricted voting rights

MONTREAL

4:00 pm prices October 2

Sales	Stock	High	Low	Close	Chng
25800	BombrdierB x	$23⅝	23⅛	23⅝	+⅛
4400	Cambior	$9⅝	9⅜	9⅝	+⅜
72800	CnImp Bk x	$31⅛	30⅞	31	–⅛
200	CanMarconi	$13⅞	13⅞	13⅞	
12200	Cascades	$5¾	5½	5½	–⅛
500	DominTxt A	$6⅞	6⅝	6⅝	
2800	MacleanHnt x	$10⅛	10⅛	10⅛	+⅛
129300	NatlBk Can x	$11⅛	10⅞	11	
105300	Provigo x	$11½	11½	11½	
1000	Quebecor A	$18½	18½	18½	–⅛
1300	Teleglobe	$10⅛	10	10	
3200	Videotron	$12½	12⅜	12½	

Total Sales 9,002,200 shares

INDICES

NEW YORK

DOW JONES	Oct 2	Oct 1	Sep 30	Sep 27	1991 HIGH	1991 LOW	Since compilation HIGH	Since compilation LOW
◆Industrials	3012.52	3018.34	3016.77	3006.04	3055.23 (28/8)	2470.30 (9/1)	3055.23 (28/8/91)	41.22 (2/7/32)
Home Bonds	97.10	97.20	96.99	97.03	97.20 (1/10)	91.30 (16/1)	97.03 (27/9/91)	54.99 (1/10/81)
Transport	1201.79	1195.87	1192.88	1187.59	1241.99 (3/6)	894.30 (7/1)	1532.01 (5/9/89)	12.32 (8/7/32)
Utilities	213.63	212.63	212.82	210.44	220.89 (16/4)	195.17 (10/7)	236.23 (2/1/90)	10.50 (8/4/32)

◆Day's High (a) (3043.60) Low (a) (3002.46)

STANDARD AND POOR'S	Oct 2	Oct 1	Sep 30	Sep 27	1991 HIGH	1991 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	388.26	389.20	387.86	385.90	396.64 (28/8)	311.49 (9/1)	396.64 (28/8/91)	4.40 (1/6/32)
Industrials	458.49	459.86	458.44	456.45	472.01 (29/8)	364.90 (9/1)	472.01 (29/8/91)	3.62 (21/6/32)
Financial	31.77	31.80	31.65	31.51	32.24 (14/8)	21.96 (9/1)	35.24 (9/10/89)	8.64 (1/10/74)
NYSE Composite	213.60	214.01	213.34	212.21	217.17 (28/8)	170.97 (9/1)	217.17 (28/8/91)	4.46 (25/4/42)
Amex Mkt. Value	375.56	374.95	374.58	373.89	374.95 (1/10)	296.72 (14/1)	397.03 (10/10/89)	29.31 (9/12/72)
NASDAQ Composite	526.33	528.51	526.88	524.48	528.51 (1/10)	355.75 (14/1)	527.82 (25/9/91)	54.87 (31/10/72)

	Sep 27	Sep 20	Sep 13	year ago (approx.)
Dow Industrial Div. Yield	3.08	3.04	3.07	4.14

	Sep 25	Sep 18	Sep 11	year ago (approx.)
S & P Industrial div. yield	2.73	2.73	2.74	3.49
S & P Indl. P/E ratio	21.14	21.15	21.01	14.55

NEW YORK ACTIVE STOCKS

Tuesday	Stocks traded	Closing price	Change on day
Chrysler	1,314,200	10¼	+ ⅛
Blockbuster	1,739,400	13	+ ⅛
Upjohn	1,733,400	46½	+ 2
RJR Nabisco	1,648,200	11⅝	- ⅛
Philip Morris	1,626,300	72⅝	- 1
Comm Psyc	1,573,900	16	----
Pepsico	1,561,000	29¼	+ ⅛
Exxon	1,327,000	60¼	----
Advanced Micro	1,266,400	9⅞	+ ⅜
Amoco Corp	1,236,500	52¼	+ ⅛

TRADING ACTIVITY

† Volume	Millions Oct 2	Oct 1	Sep 30
New York SE	169.290	163.520	146.740
Amex	13.108	13.472	12.572
NASDAQ	(u)	162.684	141.027
NYSE			
Issues Traded	2,120	2,107	2,105
Rises	773	888	1,092
Falls	833	697	516
Unchanged	514	522	497
New Highs	156	157	128
New Lows	16	15	12

CANADA

TORONTO	Oct 2	Oct 1	Sep 30	Sep 27	1991 HIGH	1991 LOW
Metals & Minerals	2836.52	2856.23	2852.52	2844.16	3299.99 (18/7)	2632.06 (9/1)
Composite	3393.60	3395.26	3387.88	3381.78	3582.07 (7/6)	3161.95 (15/1)
MONTREAL Portfolio	1800.72	1803.43	1801.49	1803.04	1909.86 (7/6)	1686.89 (9/1)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poor's—10; and Toronto Composite and Metals—1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds.‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable.

	Oct 2	Oct 1	Sep 30	Sep 27	1991 HIGH	1991 LOW
AUSTRALIA						
All Ordinaries (1/1/80)	1581.8	1586.4	1562.1	1558.8	1591.3 (7/8)	1284.5 (16/1)
All Mining (1/1/80)	652.7	658.1	647.4	649.8	707.2 (24/7)	561.6 (16/1)
AUSTRIA						
Credit Aktien (30/12/84)	457.47	458.40	455.70	453.75	534.81 (16/4)	390.84 (15/1)
BELGIUM						
BEL20 (1/1/91)	1088.08	1089.84	1088.95	1086.95	1212.15 (17/4)	917.59 (17/1)
DENMARK						
Copenhagen SE (3/1/83)	365.73	365.80	364.19	362.39	380.04 (2/8)	302.26 (8/1)
FINLAND						
HEX General (28/12/90)	843.3	853.4	851.3	860.7	1106.9 (8/4)	843.3 (2/10)
FRANCE						
CAC General (31/12/82)	497.62	497.28	496.43	493.70	497.62 (2/10)	394.88 (15/1)
CAC 40 (31/12/87)	1870.25	1887.29	1880.59	1883.80	1887.29 (1/10)	1425.26 (15/1)
GERMANY						
FAZ Aktien (31/12/58)	661.91	664.78	665.16	664.87	717.43 (17/6)	570.48 (15/1)
Commerzbank (1/12/53)	1855.3	1869.2	1869.5	1867.1	2035.2 (31/5)	1612.5 (15/1)
DAX (30/12/87)	1607.32	1609.62	1607.05	1608.14	1715.80 (11/6)	1311.82 (16/1)
HONG KONG						
Hang Seng Bank (31/7/64)	4062.07	4023.84	3956.69	3938.72	4079.01 (14/8)	2984.01 (16/1)
IRELAND						
ISEQ Overall (4/1/88)	1438.21	1443.84	1443.52	1444.56	1520.65 (15/3)	1114.86 (25/1)
ITALY						
Banca Com. Ital. (1972)	548.33	543.65	539.06	539.59	619.38 (3/6)	486.26 (29/1)
JAPAN						
Nikkei (16/5/49)	24375.11	24377.01	23916.44	23969.47	27146.91 (18/3)	21456.76 (19/8)
Tokyo SE (Topix) (4/1/68)	1862.84	1851.87	1832.20	1829.10	2028.85 (18/3)	1625.00 (17/1)
2nd Section (4/1/68)	2904.22	2900.63	2888.39	2867.52	3423.45 (10/5)	2473.52 (24/1)
MALAYSIA						
KLSE Composite (4/4/86)	521.77	521.81	522.69	530.78	635.02 (29/5)	470.41 (16/1)
NETHERLANDS						
CBS Ttl.Rtn.Gen.(End 1983)	276.9	276.9	275.6	277.1	284.8 (5/6)	221.4 (16/1)
CBS All Shr (End 1983)	194.4	194.7	193.9	194.9	203.1 (5/6)	162.3 (16/1)
NORWAY						
Oslo SE (Ind) (2/1/83)	750.41	755.76	753.85	757.32	793.53 (26/8)	610.45 (21/1)
PHILIPPINES						
Manila Comp (2/1/85)	950.40	941.11	953.05	959.33	1183.40 (29/5)	582.64 (18/1)
SINGAPORE						
SES All-Singapore (2/4/75)	(u)	375.34	375.30	374.81	422.43 (26/4)	315.07 (16/1)
SOUTH AFRICA						
JSE Gold (28/9/78)	1140.0&	1133.0	1133.0	1096.0	1469.0 (5/7)	971.0 (25/2)
JSE Industrial (28/9/78)	3983.0&	3966.0	3974.0	3973.0	4237.0 (10/9)	2829.0 (16/1)
SOUTH KOREA**						
Korea Comp Ex. (4/1/80)	705.18	706.63	705.07	685.21	763.10 (6/8)	590.57 (22/6)
SPAIN						
Madrid SE (30/12/85)	269.02	271.96	274.40	274.55	289.22 (18/3)	213.70 (14/1)
SWEDEN						
Affarsvarlden Gen. (1/2/37)	1026.4	1035.9	1035.3	1030.8	1149.8 (11/7)	808.4 (8/1)
SWITZERLAND						
Swiss Bank Ind. (31/12/58)	744.4	741.3	738.7	741.1	769.2 (29/8)	598.4 (14/1)
SBC General (1/4/87)	614.5	610.6	608.0	608.8	638.8 (31/5)	487.1 (14/1)
TAIWAN**						
Weighted Price (30/6/66)	4830.13	4858.44	4867.13	4851.50	6305.22 (9/5)	3316.26 (15/1)
THAILAND						
Bangkok SET (30/4/75)	654.69	665.95	670.79	685.51	908.13 (19/4)	582.48 (16/1)
WORLD						
M.S. Capital Intl.(1/1/70) ($)	522.2*	519.3	516.4	511.5	529.2 (17/4)	439.1 (16/1)

**Saturday September 28: Taiwan Weighted Price: (c). Korea Comp Ex. 691.74

& Subject to official recalculation. *Calculated at 15.00 GMT.

Base values of all indices are 100 except: BEL20, HEX General, ISEQ Overall and DAX—1,000, JSE Gold—255.7, JSE 20 Industrials—264.3 and Australia All Ordinary and Mining—500; (c) Closed. (u) Unavailable.

TOKYO - Most Active Stocks

Wednesday 2 October 1991

	Stocks Traded	Closing Prices	Change on day
Nissan Chemical	12.9m	929	+81
Nippon Mining	10.8m	595	+4
Canon	8.7m	1,580	+60
Mitsui Mining	6.9m	483	+13
Meiji Seika	6.6m	1,350	+50
Dainippon Ink	5.9m	662	+7
Tokyu Corp	5.7m	1,020	+50
Kawasaki Kisen	5.6m	594	+19
Mitsui OSK	5.4m	615	+15
Morinaga	4.9m	768	+26

JAPAN

October 2	Yen	+ or –
Ajinomoto	1,770xd	+10
Akebono Brake Ind	625xd	–65
All Nippon Airways	1,450	+20
Alps Electric	1,450xd	+20
Amada Co	1,070xd	+40
Amano Corp	2,200xd	....
Ando Construction	1,160	....
Anritsu	1,450xd	+20
Aoki Corp	739	+5
Arabian Oil Co Ltd	6,700	+250
Asahi Breweries	1,260	–30
Asahi Chemical	814xd	–1
Asahi Glass	1,260	....
Asahi Optical	638	+34
Asics Corp	575	+5
Atsugi Nylon	891	+1
Banyu Pharm	1,590xd	+100
Bridgestone	1,150	–30
Brother Ind	595	+2
CSK	5,200	+50
Calpis Food	1,250	+10
Calsonic	532xd	+12
Canon	1,580	+60
Canon Sales	3,360	–40
Casio Computer	1,430	+20
Central Finance	518xd	+3
Central Glass	548	–2
Chiba Bank	1,080xd	+20
Chiyoda Corp	2,070	+10
Chiyoda Fire & M	989	+19
Chubu El Pwr	3,100xd	–10
Chugai Pharm	1,420	+70
Chugoku El Power	2,670xd	–30
Citizen Watch	999xd	+1
Daicel Chemical	660xd	....
Daido Steel	615xd	–24
Daiei Inc	1,190	+30
Daifuku	2,560	+10
Dai Ichi Kangyo Bk	2,490xd	+40
Daiichi Pharm	2,050xd	+100
Daikin Inds	1,630xd	+30
Daikyo Kanko	1,770xd	+60
Daimaru Inc	844	+19
Dai Nippon Ink	662xd	+7
Dai Nippon Pharmac	1,890	+40
Dai Nippon Print	1,570xd	+10
Dai Nippon Toryo	630	+2
Daishowa Paper	2,960xd	–40
Dai Tokyo F&M	971	–9
Daiwa Bank	1,240xd	+40
Daiwa House	2,020	–10
Daiwa Sec	1,340	+50
Denny's Japan	4,150	+30
Dowa Fire & Mar	840	....
Dowa Mining Co	631	–13
Ebara Corp	1,620xd	....
Eisai	1,900xd	+20
Ezaki Glico	1,350xd	+70
Fanuc	4,430xd	+50
Fudo Construction	795	–5
Fuji Bank	2,680xd	+30
Fuji Electric	795xd	+4
Fuji Film	3,420	–20
Fuji Fire & Marine	1,100	–60
Fuji Heavy Ind	468	–5
Fuji Spinning	757	–3
Fujikura	967xd	–3
Fujisawa Pharm	1,790xd	+60
Fujita Tourism	2,100	+70
Fujitsu	1,010xd	+14
Furukawa Elect	696xd	+1
Gakken	1,190xd	+60
Gen Sekiyu	1,440	+10
Godo Steel	1,220	–60
Green Cross	1,450	+50
Gun-Ei Chemical	800	....
Gunze	821	–9
Hankyu Corp	765xd	+10
Hanshin El Rlwy	590xd	....
Haseko	860xd	–4
Hattori Seiko	2,180xd	–10
Hazama-Gumi	855	–15
Heiwa Real Est	990xd	–5
Hino Motors	980xd	–10
Hirose Electric	4,820xd	+40
Hiroshima (Bank)	924xd	+3
Hitachi	1,060xd	+20
Hitachi Cable	996xd	+4
Hitachi Credit	1,440xd	–30
Hitachi Koki	1,170xd	+30
Hitachi Maxell	1,700xd	+30
Hitachi Metals	1,190xd	–10
Hitachi Sales	780xd	+35
Hitachi Zosen	713	–7
Hokkaido Elect Pwr	2,750xd	....
Hokkaido Takush	892xd	–18
Hokuriku El Pwr	2,810xd	....
Honda Motor	1,600xd	+30
Honshu Paper	790xd	+8
House Food Ind	2,130	–40
Hoya Corp	2,180xd	+10
IHI	724xd	–6
Ihara Chemical	720	+35
Ikegami Tsushinki	1,360xd	+30
Inax	1,160	....
Indust Bank Japan	3,240xd	+170
Iseki & Co	544	+3
Isetan	3,170xd	–10
Ishihara Sangyo	522xd	–8
Isuzu Motors	415	....
Itoh (C)	685xd	–12
Itoham Foods	1,000	+3
Itoman & Co	400	–8
Ito Yokado	4,740	+110
Iwatsu Elec	651	–14
Izumiya	2,360	....
JEOL	1,030xd	+20
JGC Corp	2,410	–20
Janome Sewing Mach	629	+60
JAL	1,230	–20
Japan Metals & Chem	770	–11

October 2	Yen	+ or –
Japan Radio	2,570xd	+20
Japan Steel Works	677	–11
Japan Storage Batt	896xd	+11
Japan Syn Rubber	631xd	+26
Japan Wool	1,940	–10
Jujo Paper	710xd	+2
Jusco	1,780	+20
Kagome	1,270	+20
Kajima	1,500xd	....
Kaken Pharm	1,370xd	+10
Kandenko	2,850xd	+50
Kanebo	580	+10
Kaneka	780xd	+54
Kanematsu Corp	750xd	–12
Kansai El Power	2,930xd	+10
Kansai Paint	705xd	+5
Kao Corp	1,370xd	....
Kawasaki Heavy Ind	596xd	–7
Kawasaki Kisen	594	+19
Kawasaki Steel	409xd	+2
Keihin Elec Express	914xd	+15
Keio Teito El Rw	912xd	–18
Kikkoman	1,240	–50
Kinden	2,650	+60
Kinki Nipp Railway	894xd	–6
Kirin Brewer	1,490	+20
Kobe Steel	485xd	+8
Koito Manf	2,300xd	....
Kokusai Electric	3,400xd	+50
Kokuyo	3,340xd	+20
Komatsu	849xd	+18
Konica	975	....
Koyo Seiko Co	850xd	–39
Kubota Corp	700xd	+2
Kumagai-Gumi	840	–21
Kumiai Chemical	799	–1
Kurabo Ind	935xd	–23
Kuraray	1,300xd	–20
Kureha Chemical	674xd	+2
Kurita Water	2,780xd	+20
Kyocera	5,900xd	+150
Kyodo Shiryo	530	–8
Kyotaru	1,710	....
Kyowa Hakko	1,420	–40
Kyowa Saitama Bk	1,210xd	+10
Kyushu El Power	2,960xd	....
Lion Corp	869	+4
Long Term Credit	1,470xd	–30
Maeda Corp	1,510	....
Makino Milling	1,010xd	+22
Makita Corp	2,090xd	+20
Marubeni	641xd	–2
Marudai Food	1,140	+30
Marui	2,040	–10
Maruichi Steel	1,790xd	+40
M'shita El Ind	1,590xd	–10
M'shita El Wk	1,470	+20
M'shita Koto	1,700xd	–40
M'shita Refrig	960xd	+4
Mazda Motor Corp	560xd	–9
Meiji Milk	810xd	+5
Meiji Seika	1,350xd	+50
Mercian Corp	1,240	–10
Mikuni Coca Cola	2,260	+40
Minebea	790xd	–15
Minolta Camera	700xd	+32
Misawa Home	1,740xd	–20
M'bishi Bk	2,740xd	....
M'bishi Corp	1,360xd	–10
M'bishi Elec	651xd	....
M'bishi Estate	1,510xd	....
M'bishi Gas Chem	660xd	+17
M'bishi Heavy Ind	750xd	–8
M'bishi Kasei	575xd	–7
M'bishi Materials	604xd	+16
M'bishi Oil	1,230	....
M'bishi Paper	635xd	–10
M'bishi Petchem	838xd	–5
M'bishi Plastics	637xd	+16
M'bishi Rayon	493xd	–7
M'bishi Steel	1,070	–30
M'bishi Tr&Bk	1,740xd	–10
M'bishi Warehouse	1,540xd	+20
Mitsuboshi Belting	849xd	+27
Mitsui Co	828xd	–9
Mitsui Eng Ship	625	–8
Mitsui Fudosan	1,540xd	+20
Mitsui Marine	1,070	+10
Mitsui Mng & Sm	483	+13
Mitsui Osk Line	615	+15
Mitsui Petchem	749xd	–26
Mitsui Soko	915xd	–40
Mitsui Taiyo Kobe	1,900xd	+50
Mitsui Toatsu	490xd	+5
Mitsui Tr&Bk	1,450xd	....
Mitsukoshi	1,110	–30
Mitsumi Elec	1,620	–40
Miyaji Iron Works	629xd	+4
Mizuno Sporting	1,520	....
Mochida Pharm	2,750	+260
Morinaga Milk	768	+13
Mori Seiki	2,450	+10
Murata Manufact	2,450xd	....
NEC Corp	1,350xd	....
NGK Insulators	1,080xd	–10
NGK Spark Plug	915xd	+30
NHK Spring	535xd	+13
NKK Corp	403xd	–12
NOK Corp	680xd	+15
NSK	647xd	–10
NTN Toyo Bearing	645xd	+4
Nachi Fujikoshi	745	+1
Nagasakiya	1,850	–30
Nagase	1,280	–20
Nagoya Railroad	768xd	+3
National House	1,400xd	–40
Nichii	1,670	+20
Nichirei	830xd	–5
Nihon Cement	975xd	+15
Nihon Nosan	542	–14
Nihon Parkerizing	960xd	+1

October 2	Yen	+ or –
Niigata Eng	783xd	–16
Nikko Sec	930	–11
Nikon Corp	1,020xd	+33
Nippon Credit Bank	9,950xd	–350
Nippon Denko	644	–1
Nippon Denso	1,620	+10
Nippon El Glass	2,040xd	–10
Nippon Express	863xd	+10
Nippon Fire	895	+5
Nippon Flour Mills	701xd	–19
Nippon Hodo	2,940	+10
Nippon Kayaku	1,020	+21
Nippon Light Metal	897xd	–4
Nippon Meat Pack	1,660	+10
Nippon Mining	595	+4
Nippon Oil	1,020xd	....
Nippon Paint	795xd	–35
Nippon Road	1,560	–20
Nippon Sanso	686xd	+21
Nippon Sharyo	1,440xd	–10
Nippon Sheet Glass	640xd	+12
Nippon Shinpan	1,090xd	....
Nippon Shinyaku	1,650xd	+80
Nippon Soda	885	+61
Nippon Stainless	954xd	+18
Nippon Steel	420xd	–12
Nippon Suisan	635	–10
Nippon TV Network	22,800xd	+400
NTT	780,000xd	+5,000
Nippon Yakin	781xd	–24
Nippon Yusen	641	–8
Nippon Zeon	631xd	+22
Nishimatsu Constr	1,190	....
Nissan Diesel	600xd	+50
Nissan Motor	695xd	....
Nissei Sangyo	1,590xd	–10
Nisshin Flour	1,680xd	+10
Nisshin Oil	985xd	–14
Nisshinbo Ind	1,380xd	–10
Nissho Iwai	671xd	–20
Nissin Electric	1,380xd	....
Nissin Food	2,830	+40
Nitsuko	823xd	+12
Nitto Boseki	565	–10
Nitto Denko	1,670xd	....
Nomura	1,710	....
Noritake	1,330xd	+40
Odakyu Electric Rwy	988xd	–6
Ohbayashi-Gumi	1,000xd	–30
Oji Paper	851xd	–13
Oki Electric	630xd	+5
Okuma Corp	1,070xd	....
Okumura-Gumi	1,460	–10
Olympus	1,490xd	–30
Omron Corp	2,070xd	+20
Onoda Cement	702xd	+6
Ono Pharm	4,950	+170
Onward Kashiyama	1,740	+40
Orient Corp	1,100xd	+10
Orix Corp	3,600	+10
Osaka Gas	597xd	....
Penta Ocean	940	....
Pioneer Elec	3,790xd	+10
Prima Meat Pack	660	+40
Renown	675	....
Ricoh	725xd	+22
Royal Co	1,680	....
Ryobi	613xd	....
Sanden	695xd	–12
Sankyo	2,640xd	+50
Sanrio	2,920	+30
Sanwa Bank	2,250xd	+20
Sanwa Shutter	1,450xd	–20
Sanyo Electric	550	–5
Sanyo Kokusaku	618xd	–7
Sapporo Brews	1,260	–10
Secom	6,330	+30
Seibu Railway	3,390xd	+240
Seino Transport	2,220	....
Seiyo Food Sys	1,460xd	+30
Seiyu	1,890	....
Sekisui Chemical	1,260xd	+10
Sekisui House	1,490	–10
Settsu Corp	660xd	+17
Seven-Eleven	8,260	+40
Sharp	1,560xd	+30
Shikoku Elect Pwr	2,870xd	–80
Shimizu Corp	1,370xd	–10
Shin-Etsu Chem	1,690xd	+40
Shionogi	1,300xd	+40
Shiseido	1,830	+30
Shochiku	1,600	+180
Shokusan Jutaku	798	–4
Showa Aluminium	830	+27
Showa Denko	439	+6
Showa Elec Wire	728xd	–6
Showa Sangyo	595xd	....
Showa Shell Sek	1,930	–40
Skylark	2,610	–30
Snow Brand Milk	1,010	+29
Sony	5,440	+40
Stanley Electric	956xd	+22
Sumitomo Bakelite	610xd	+4
Sumitomo Bank	2,350xd	+60
Sumitomo Cement	685xd	–3
Sumitomo Chemical	482	+7
Sumitomo Corp	1,090xd	–10
Sumitomo Elect	1,250xd	+30
Sumitomo Heavy	766	–16
Sumitomo Light M	595xd	....
Sumitomo Marine	1,040	+10
Sumitomo Metal Ind	430xd	....
Sumitomo Metal Mng	1,100xd	+20
Sumitomo Realty	1,200	+10
Sumitomo Tr&Bk	1,540xd	+20
Sumitomo Warehouse	800xd	+2
Suzuki Motor	754xd	+30
TDK Corp	5,630xd	–30
Taisei Corp	932xd	+2
Taisho Pharm	2,250	+60
Taiyo Fishery	449	+4

October 2	Yen	+ or –
Takaoka Electric	970xd	+23
Takara Shuzo	890	–9
Takashimaya	1,670	–80
Takeda Chem	1,590xd	+20
Tanabe Seiyaku	1,360xd	+70
Teijin	581xd	+4
Teikoku Oil	924	+16
Tekken Corp	1,140	–20
Toa Gosei Chem Ind	867	+7
Tobishima Corp	960	–21
Tobu Railway	875xd	+7
Toei	903xd	–17
Toho	18,100	+1,100
Tohoku Elect Power	3,190xd	–10
Tokai Bank	1,750xd	+10
Tokai Carbon	780	–12
Tokico	566xd	–4
Tokio Marine	1,360	–10
Tokuyama Soda	575xd	....
Tokyo (Bank)	1,530xd	+50
Tokyo B'casting	1,940xd	+40
Tokyo Dome	2,600	....
Tokyo El Pwr	3,730xd	+50
Tokyo Electron	2,980xd	+110
Tokyo Gas	596xd	–1
Tokyo Rope	897xr	–24
Tokyo Steel	2,880xd	+100
Tokyo Style	1,440	+30
Tokyu Car	926xd	–35
Tokyu Corp	1,020xd	+50
Tokyu Land	685xd	–5
Tonen Corp	1,610	–40
Toppan Printing	1,430xd	....
Toray Ind	679xd	+18
Toshiba Elect	698xd	–7
Toshiba Eng&Constr	1,580xd	+40
Toshiba Machinery	805xd	–2
Toshoku	1,290	–10
Tosoh Corp	629xd	+14
Toto	1,770xd	....
Toyo Construct	730	+2
Toyoda Autom Loom	2,200xd	....
Toyo Ink	585xd	+10
Toyo Jozo	769	+2
Toyo Kanetsu	985	–5
Toyo Seikan	4,200xd	–50
Toyota Motor	1,600	....
Toyo Tire&Rub	812	–6
Tsubakim Chain Mac	842xd	+16
Tsugami	662xd	+10
UBE Inds	538xd	–3
Unitika	573	–16
Victor (JVC)	1,420xd	....
Wacoal	1,040	–20
Yamaha Corp	1,690xd	....
Yamaha Motor	995xd	–15
Yamaichi Securities	898	–1
Yamanouchi	2,970xd	+90
Yamatake Honeywell	1,610xd	–30
Yamato Kogyo	1,330xd	+30
Yamato Transport	1,300xd	+20
Yamazaki Baking	2,020	–50
Yasuda Fire	975	–7
Yokogawa Elec	1,240xd	+10
Yokohama (Bank)	1,230xd	+20
Yokohama Rubber	759	–21
Yomiuri Land	1,480xd	+10
Yoshitomi Pharm	1,520xd	+50
Yuasa Battery Co	993xd	–37
Zexel Corp	760xd	+36

AUSTRALIA

October 2	Aust$	+ or –
AFP	1.45	–0.01
AWA	0.90	+0.03
Aberfoyle	4.60	....
Amcor	5.82xd	+0.06
Ampol Expl	2.82	....
Arnotts	6.20	+0.04
Ashton	1.35	....
ANZ Bank	3.96	+0.04
Aust Gas Light	3.13	+0.03
Aust Nat Inds	2.16	–0.01
BHP	14.10	–0.05
BTR Nylex	2.59	–0.04
Boral	3.39	+0.04
Boug'ville Copper	0.71	....
Brambles Inds	17.60	–0.15
Bridge Oil	0.51	....
Brierley Invs	0.75	....
Burns Philp	3.51	–0.04
CSR	4.91	–0.08
CRA	13.55	–0.20
Caltex Aust	2.68	....
Coal Allied Ind	9.74	+0.02
Coca Cola Amatil	8.22	+0.06
Coles Myer	10.90	–0.10
Comalco	3.54	–0.01
Comm Bk Aust	6.86	–0.04
Crusader	1.36	+0.01
Dominion Mng	0.63	....
Email	3.62	–0.05
Energy Res	1.40	–0.02
FAI Insurances	0.60	+0.02
Fletcher Chllnge	2.40	+0.02
Fosters Brewing	1.76	+0.01
Gen Prop Tst	2.30	+0.01
Goodman Fielder	1.85	....
Hardie (J)	3.14	+0.01
Highlands Gold	1.22	–0.01
ICI Aust	4.70	–0.02
Jennings	0.94	+0.02
Kidston Gold	1.22	....
Lend Lease	16.35xd	–0.20
MIM	2.09	–0.01
Mayne Nickless	7.92xd	+0.04
Metal Manuf	2.13	–0.04
Minproc	0.31	–0.01
Nat Aust Bank	7.40	–0.02

AUSTRALIA (continued)

October 2	Aust$	+ or –
Newcrest Mining	0.96	....
News Corp	11.40xd	+0.20
Nrmndy Poseidon	1.08xd	–0.11
North BH Peko	2.57	....
Pacific Dunlop	5.16xd	–0.06
Pancontinental	0.76	–0.02
Pasminco	1.38	–0.01
Pioneer Intl	2.97	+0.01
Placer Pacific	2.30	–0.06
QCT Resources	1.11xd	–0.01
Renison Gold	5.24xd	....
Rothmans Aust	16.15	+0.15
SA Brewing	3.60	....
Santos	3.27	+0.05
Smith (Howd)	6.04	–0.02
Sons of Gwalia	3.50	....
Stockland Tst	2.25	+0.02
TNT	1.05	–0.05
Telecom Corp NZ	1.90	....
Tyco Invs	0.91	–0.03
Wesfarmers	4.68	–0.07
Western Mining	4.81	+0.01
Westfield Hdg	4.10	+0.15
Westfield Trust	2.06	+0.02
Westpac	4.49	–0.04
Woodside Pet	3.96	+0.06

HONG KONG

October 2	H.K.$	+ or –
Amoy Props	5.05	+0.08
Bank East Asia	19.40	+0.30
Cathay Pacific	9.85xd	....
Cheung Kong	20.80	+0.10
China Light	20.60	+0.40
China Motor	29.60	....
Cross Harbour	14.30xd	....
Dairy Farm Intl	9.70	+0.05
Evergo	3.58	+0.03
Guoco	2.05	+0.02
HSBC	32	+0.75
Hang Lung Dev	8.15	+0.15
Hang Seng Bank	32.50	....
Harbour Centre	8.05	+0.10
Henderson Inv	2.58	....
Henderson Land	13.70	+0.20
HK & China Gas	10.80	+0.10
HK & Shanghai Hotel	4.72	....
HK Aircraft	17.10xd	+0.20
HK Electric	12.30xd	....
HK Land	9.05	+0.10
HK Realty & Tr A	6.95	....
HK Telecom	7.55	+0.15
Hopewell Hldgs	3.35	....
Hutchison Wpa	14.10	+0.20
Hysan Dev	8.10xd	–0.20
Jardine Intl Mtr	4.55	+0.25
Jardine Math	34.50	....
Jardine Strategic	17.10	+0.20
Kowloon Motor	7.70xd	+0.05
Mandarin Orient	4.97	+0.02
New World Dev	10.90	....
Realty Dev A	12.60	+0.10
SHK Props	22.80	+0.10
Shaw Bros	3.92	+0.10
Shell Elec Mfg	1.67	–0.01
Sime Darby	6.85	+0.05
Sun Hung Kai Co	2.20xd	+0.05
Swire Pacific A	22.50xd	+0.20
Swire Pacific B	3.75xd	....
Tele Broadcast	5.80xd	....
Wharf Holdings	10	+0.15
Wing On Co	7.20	–0.05
Winsor Ind	8.80	....
World Intl	5.30xd	....

MALAYSIA

October 2	MYR	+ or –
Boustead	2.49	....
Hong Leong Credit	3.20	....
Malayan Banking	5.95	–0.05
Malayan Utd Ind	2.56	–0.02
Multi Purpose	1.15	....
Public Bank	1.43	....
Sime Darby	3.46	....

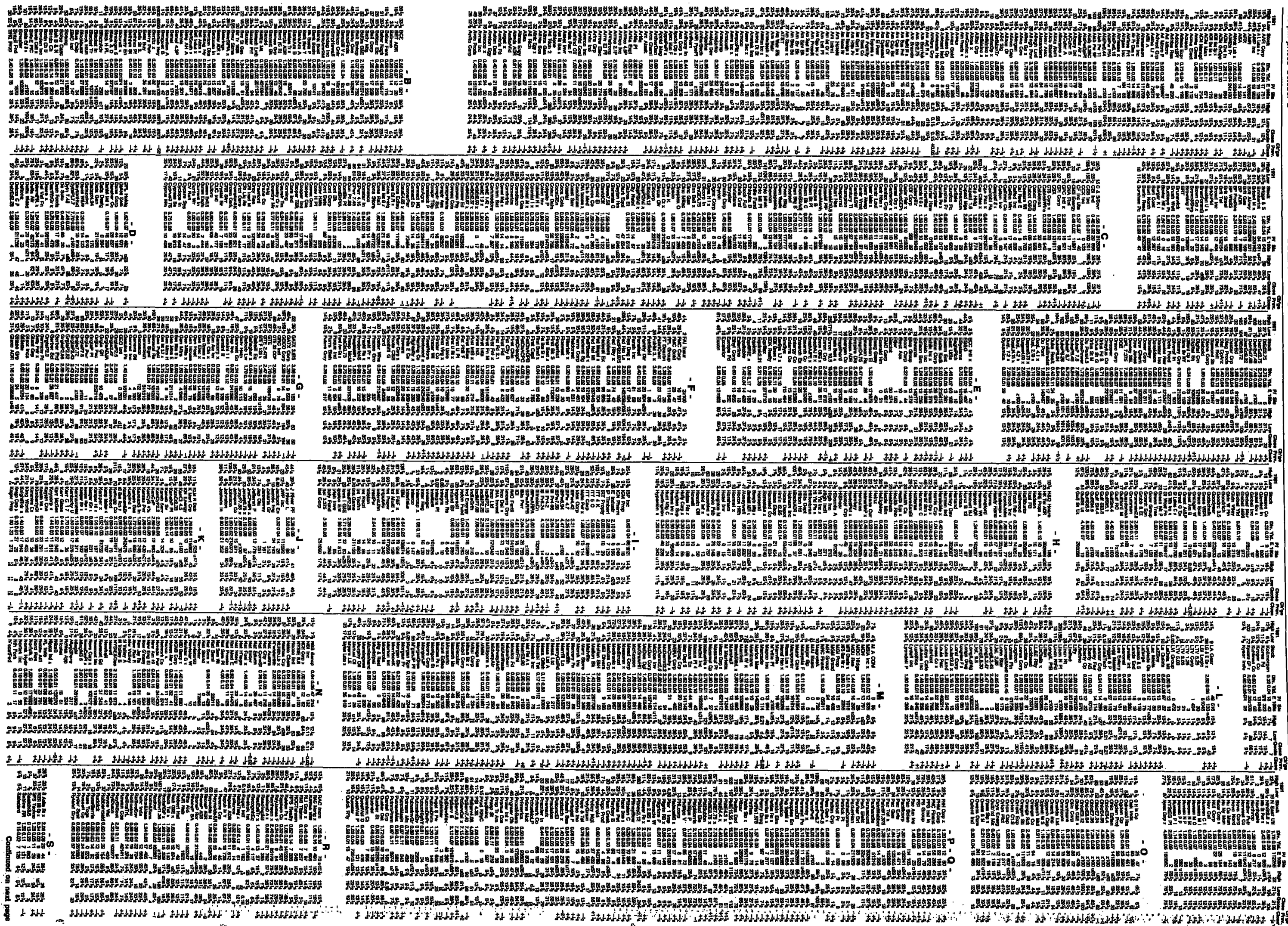
SINGAPORE

October 2	S$	+ or –
Cold Storage	2.48	–0.06
DBS	11.70	....
Fraser & Neave	8.05	+0.05
Genting	6.35	....
Haw Par	2.42	–0.02
Inchape	3.72	....
Keppel Corp	7	....
OCBC	9.95	–0.05
OUB	4.20	–0.14
S'pore Air Free	19.80	+0.10
Singapore Press	8.65	+0.10
Straits Trading	2.48	....
Tat Lee Bank	3.24	–0.02
UOB	6.10	....

Price data supplied by Telekurs.

NOTES – Prices on this page are as quoted on the individual exchanges and are last traded prices. (u) unavailable. # Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all. ‡ South African prices unavailable Oct. 2.

NEW YORK STOCK EXCHANGE COMPOSITE PRICES



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NYSE COMPOSITE PRICES

Continued from previous page

1991 High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
13⅝	8⅝	Saleg'd Sc			3	22	12⅛	11⅞	12	+¼
37	25	SafetyKln	0.32	0.01	26	811	28	27¼	27⅞	−½
21⅝	11⅞	Safeway			17	1829	19⅜	18¾	18⅞	−⅛
4⅞	2⅜	SafewayWts				175	4½	4⅛	4⅛	−⅛
35⅞	20⅞	StJoePaper	0.20	0.01	26	27	32¾	32½	32½	−⅛
34¼	25¾	StJoeL&P x	1.65	0.05	11	19	31½	31⅛	31⅜	−⅛
4⅞	1½	Salant Crp			0	17	3⅛	3	3⅛	
60⅞	45⅝	Sallie Mae	0.80	0.01	18	6854	59	57¾	58	−⅛
13⅝	10⅝	Salomon Br	0.60	0.04	-	387	u13⅝	13½	13⅝	+⅛
37	20¾	SalomonInc	0.64	0.03	5	6291	23½	23	23	−⅛
45¼	37¼	SanDgo G&E	2.80	0.07	11	383	42¼	41½	41⅞	+¼
4⅞	2¼	SantaFeEDv x	0.40	0.13	20	60	3	3	3	
18¾	10¾	SantaFeEls x	0.10	0.01	23	707	11⅝	11¼	11⅜	−⅛
34	25	SantaFePac	2.65	0.08	10	87	u34⅝	33¾	34¼	+⅜
10¼	5⅛	SantaFeSth			46	21311	9½	9¼	9¼	−⅛
45¾	29⅝	Sara Lee	0.94	0.02	20	808	45⅛	44½	44⅝	−⅜
¾	⅛	Savin Corp			0	910	[illegible]	[illegible]	[illegible]	
7⅞	1⅞	Savin 0.80	0.80	0.34		13	2⅜	2⅜	2⅜	+¼
40⅞	33½	Scana Corp	2.62	0.06	9	262	u41	40⅝	40⅞	+¼
45⅝	36	Scecorp x	2.72	0.06	12	1432	45¼	44⅝	45	+⅛
58⅝	40⅞	ScheringPl	1.32	0.02	20	8456	57⅞	57	57⅞	+½
74	50½	Sch'berger	1.20	0.02	26	2271	66⅞	66⅛	66⅞	+⅞
31¾	11⅛	Schwab(C)	0.20	0.01	29	3978	u32⅞	31⅝	31⅞	+⅛
8⅝	3⅞	Schweitzer			13	80	6⅞	6⅝	6¾	+⅛
17⅞	11½	ScientAtln	0.16	0.01	274	363	13⅞	13⅜	13½	+⅛
9⅝	6⅛	Scotman	0.10	0.02	10	48	6¾	6⅝	6⅝	+⅛
46⅝	35⅝	ScottPaper	0.80	0.02	37	2584	37¼	36¾	36⅞	−⅛
16⅛	11⅝	ScuddrNAsF	0.68	0.04		141	14½	14¼	14½	+⅛
10⅝	7⅞	ScuddrNEsF	0.25	0.03		281	8⅞	8¾	8¾	−⅛
28½	19¾	Sea Cont			10	89	21⅞	21¼	21⅞	+⅛
15½	13½	SeaC1.4625	1.45	0.10		7	15	15	15	
18¼	14¼	SeaC2.1	2.10	0.14		5	15⅛	15⅛	15⅛	
117½	81⅝	Seagram Co	2.00	0.02	15	686	114½	113¼	113⅝	−½
29⅞	21	Seagull En			22	78	29⅝	29½	29⅝	+¼
18¾	12½	SPX Corp	0.40	0.03	37	149	12⅝	12⅜	12⅝	
39½	21⅝	Sealed Air			25	139	38⅞	37⅝	38⅛	+½
43½	24½	Sears Roeb	2.00	0.05	12	1901	38⅞	37¾	38¼	+½
36½	17	Sec Pac	1.52	0.05	48	1543	32⅞	32½	32¾	+¼
12½	11⅛	Seligm Sel	0.84	0.07		89	12⅜	12¼	12⅜	+⅛
26½	18⅛	Sensormat x	0.30	0.01	32	565	24½	23⅞	24	−⅛

- W -

1991 High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
26¼	22¼	WiscPubSv	1.70	0.06	13	136	u26⅞	26⅝	26⅞	+¼
44	28⅞	Witco Corp	1.84	0.05	14	190	40	39⅝	39⅞	+⅛
13	7¾	Wolverine x	0.16	0.01	14	111	12¼	12	12¼	+¼
36⅞	25½	Woolworth	1.08	0.04	14	1594	29⅝	29⅜	29½	+⅛
15	11⅞	World Wide				29	13⅞	13¾	13¾	
10⅛	3⅝	Worldcorp			10	2168	9¾	9⅝	9⅝	+⅛
65⅛	49⅛	Wrigley	1.00	0.02	20	152	62⅝	61⅞	62⅝	+½
17	10¾	Wyle Labor x	0.28	0.02	10	61	11⅞	11⅝	11¾	
19¾	14⅝	Wynns Intl	0.80	0.04	12	48	16¾	16¼	16¾	

- X - Y - Z -

1991 High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
62⅛	35¼	Xerox	3.00	0.05	11	1599	61⅞	60⅞	61⅞	+⅞
51½	43¼	Xerox4.125				2	50¼	50¼	50¼	
22¾	14⅛	Xtra 1.94				154	u23½	22¾	22⅞	+¼
26⅞	14¼	Xtra Corp	0.72	0.03	90	146	u27¼	26⅞	27⅛	+⅝
25½	21¾	Yankee Egy	1.60	0.06	12	83	u25½	25¼	25½	
1½	5/16	Zapata			2	743	13/16	¾	¾	
9⅞	5⅜	ZenithElec			1	166	5⅝	5½	5⅝	
18½	12	Zenith Nat x	1.00	0.06	92	68	16	15¾	15¾	−½
6⅛	4½	Zenix Inc	0.84	0.14		25	u6¼	6⅛	6⅛	
15⅛	10⅞	Zero Corp	0.40	0.03	16	9	14¼	14¼	14¼	+⅛
41⅛	29½	Zurn Ind	0.88	0.03	13	757	33⅞	33¼	33¾	+⅛
13½	10¼	Zweig Fund	1.16	0.09		197	12¾	12⅝	12¾	
10⅞	8½	Zweig Totl	0.96	0.09		701	10⅛	10⅛	10⅛	−⅛

Price data supplied by Telekurs.

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-only range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration.

a-dividend also xtra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE PRICES

4:00 pm prices October 2

NASDAQ NATIONAL MARKET

4:00 pm prices October 2

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
[illegible]	0.40	22	427	32½	32	32¼	+⅛
ACC Corp x	0.16	26	214	11¾	11¼	11¼	−½
Acclaim E		66	5166	5⅝	4 13/16	5½	+½
AcmeSteel		24	38	14⅛	13¾	13¾	−¼
Action Cp		59	11	16¾	15½	16½	−⅛
Adaptech		16	802	17	16	16¼	−¼
ADC Tele		12	2319	23½	23	23	−⅛
Addington		224	2818	10	8¾	9	−½
Adia Serv	0.16	27	2154	24¼	23⅝	24⅛	+⅛
Adobe Syst x	0.32	23	3026	54¼	53	53⅛	−⅜
ADT Adr	0.32	4	7890	9⅛	8⅝	8¾	
Advance C		7	358	9	8⅝	8⅝	−⅛
Adv Logic		9	226	12¾	12¼	12½	−¼
Adv Polym		19	1048	7⅛	7	7⅛	
Adv Tele		11	288	16½	16	16¼	
Advanta	0.20	15	1496	30½	29½	30⅜	+⅜
Advo Sys		17	590	18⅛	17⅝	18⅛	+⅜
Aegon Adr	1.60	6	6	59	58⅝	59	+¼
Affiliate		0	2	[illegible]	[illegible]	[illegible]	
Agency Re		22	688	u12⅛	11⅞	11⅞	
AgnicoEa	0.07	2	69	4	3¾	3¾	
Air Wisc		6	711	8⅝	8	8½	+¼
Akzo ADR	1.08		3421	31	30¾	31	
Aldus Cp		23	4950	49¾	39¾	43½	+3⅝
Alex Brwn	0.23	13	924	23¾	23¼	23⅜	−⅜
Alex Bald	0.88	13	903	26	25	25	−⅞
Allegh SW		12	8	4½	d4¼	4½	
Allen Org	0.40	10	10	32¼	29¾	33	
Allen Ph		19	436	24	22⅞	23⅞	+¼
Alliant		0	324	⅝	d⅝	⅝	[illegible]
AlldCapil	1.00		350	15½	d14¾	14¾	−½
Alld Cap	1.27	8	186	16	14½	14¾	+¼
Allwaste		17	1282	6⅝	5⅞	6⅛	
[illegible]	0.32	10	244	14½	11½	12¾	−1¾
Alta Gold		2	817	1 1/16	1	1	
Altera Co		30	590	23½	22⅝	22⅝	−¼
Am Bankr	0.60	7	2065	16⅝	16	16¼	
Am Cty Bs		75	60	u19½	18¾	18¾	
Am Manag		18	214	22½	21¼	21½	−⅝
Am Med El		34	1385	16¼	13¾	15	+1

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
Devcon x	0.20	6	92	18½	17½	17¼	+¼
DF Sout x	0.20	12	170	10½	8¾	8¾	−1⅝
DH Tech		10	365	10	9½	9⅝	−⅛
Dibrell B	0.24	31	665	25	24	25	
Digtl Intl		22	879	25¾	23⅞	24¼	−1
Dig Micro		924	503	9½	9¼	9¼	−¼
Dig Sound		8	297	4¼	3⅞	4¼	+¼
Dig Syst		10	317	9¾	9½	9½	−¼
Dionex Cp		15	625	26¾	26	26	−½
Dixie Yrn	0.40	31	24	12	11½	11½	
DNA Plant		8	428	5¼	5	5⅛	+⅛
Dollar Gn	0.20	23	802	20¼	19⅜	19¾	−⅛
Dom Bksh	0.44	11	466	11	10½	10⅝	−⅛
Dorch Htx x	0.20	49	5	9	8½	8½	
DracoEngy		6	2860	9	8	8¼	−¼
DressBarn		16	2725	11⅝	10½	10¾	−⅞
Drey GD x	0.20	27	1096	27	25¾	26⅛	−⅝
Drug Empo	0.12	15	159	7¼	7	7	−¼
DS Bancor	1.20	4	5	7½	6¾	6⅞	
Duriron	0.56	12	9759	23¾	21¼	21¼	−1⅞
Durr Fill	0.26	19	846	29	28½	28⅞	+¼
DVI Fin		23	847	9	8¾	8⅞	+⅛
DynastyCl		137	160	8⅝	8¼	8¼	
Dynatech		10	1162	15¼	d14	14	−1

- E -

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
Eagle Fd		158	23	10¼	9½	9½	
Easel Cp		54	1097	29	27	28¼	−1¼
EastEnvmt		11	359	4⅛	3⅝	3⅞	−⅛
EastIndFn		0	106	1¼	1	1¼	
ECI Tel	0.22	34	594	u49⅝	47¼	48	−1
Egghead		16	667	18¼	17¾	18⅛	+¼
El PasoEl		5	1365	6⅛	5	5⅛	+⅛
ElectrSci		17	z100	4	3¾	3¾	
Electrlux	1.47	7	25	44¾	43½	43⅝	−⅞
ElectArts		29	2206	u29⅞	26⅞	26⅞	−⅜
Emcon Ass		24	214	20	18½	18¾	−¼
Empl Bnft		28	568	44	43¾	43¾	

- W -

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
Wausau PM	0.60	15	255	64½	62½	64¼	+1¾
WD-40 x	2.02	14	68	31¾	30½	31¾	+1¼
Weitek		17	3234	6⅛	d5⅞	6⅛	
West One x	0.96	8	870	31	29¼	30	+¾
WstnPubl		86	150	11½	11¼	11¼	−¼
Westmark		27	2791	42½	39½	41¾	+1¾
[illegible] x	0.32	56	26	21½	21	21	−½
Wet SealA		23	696	11	10	11	+⅝
Wetterau	0.68	11	1244	26¼	25¼	26¼	+⅝
Wicat Sys		84	90	3½	3 5/16	3½	+1/16
Willmette	1.60	23	349	56	55½	55½	−1
WmsSonoma		18	440	17¾	17	17¾	+¾
Wiser Oil	0.40	19	760	16⅝	16⅛	16⅝	+⅛
Wolohan L	0.28	11	32	20¾	20	20	−⅛
Wolv Expl		0	13	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]			245	[illegible]	[illegible]	[illegible]	[illegible]
Worthgton	0.43	36	1149	27⅝	27¼	27⅜	−⅛
WPP Group	1.11	1	2203	2⅞	2⅝	2¾	−1/16
Wyman-Gdn	0.40	10	933	4	d3⅞	4	

- X - Y - Z -

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
Xilinx		33	6520	29⅛	26⅛	26¼	−2¾
XL Data		32	102	11⅛	10⅞	10⅞	−⅛
Xoma Corp		6	2081	16⅛	15¾	16	
Yellow Fr	0.94	16	663	30⅛	29¾	29⅞	
York Rsch		52	1862	6⅝	6⅛	6¼	−⅛
ZionsUtah x	1.44	9	267	45¼	44½	45	+¼

AMERICA

Modest late sell-off brings down Dow

Wall Street

A modest late sell-off left share prices lower yesterday after a two-way pull from lower bond prices and higher home sales had earlier held the market steady, *writes Patrick Harverson in New York.*

At the close the Dow Jones Industrial Average was down 5.82 at 3,012.52. The more broadly based Standard & Poor's 500 finished 0.93 lower at 388.27, while the Nasdaq composite of over-the-counter stocks eased 2.17 to 526.34. Volume on the New York Stock Exchange was 168m shares, and declines outpaced rises by 830 to 771.

The only significant news of the day was a 6.7 per cent rise in August single-family house sales. The increase was much bigger than the market expected, and suggested that the crucial housing sector may be recovering from the recession. The positive impact of the news on sentiment was offset by its effect on bond prices, which fell, while long-term interest rates rose.

Hopes remained high, however, of an interest rate cut, especially after a Washington newsletter reported that the Federal Reserves Open Market Committee, which met on Tuesday, was leaning towards another easing of monetary policy.

Among individual stocks, Time Warner jumped $2¼ to $85 on the news that the entertainment group would soon announce an alliance with two Japanese companies, Toshiba and C.Itoh, which would raise about $1bn for Time Warner.

Chrysler rose early on but ended unchanged at $10¼ on huge volume of 10m shares. On Tuesday the car manufacturer's offering of 35m shares priced at $10.125 each was completed successfully. The sale raised about $350m and was oversubscribed, allowing Chrysler to offer 2m more shares than originally planned. Mr Kirk Kerkorian, one of Chrysler's biggest shareholders, bought 6m of the shares offered, which takes his holding to almost 11 per cent.

Upjohn recovered some of the ground lost the previous day, rallying $1⅝ to $46¼. It fell sharply late on Tuesday on the news that the UK Committee on the Health and Safety of Medicines had withdrawn the product licence for the company's best-selling sleeping pill, Halcion, because of fears about side-effects. The shares were helped yesterday by comments from analysts that the impact of the UK decision would not dramatically affect Upjohn's earnings.

Landmark Savings rose $1⅛ to $6⅞ on the American Stock Exchange after Integra Financial said that it would acquire Landmark in a stock deal worth $19.2m. Integra eased $¾ to $24¾ on the news.

On the over-the-counter market, Knowledgeware plummeted $6¾ to $12¼ after the company estimated that it had made a loss for the fiscal first quarter, just ended. This would compare with a profit of 20 cents a share earned in the same period a year ago.

Novacare climbed $1¼ to $22½ after Mr Peter Gura, analyst at Alex Brown & Sons, upgraded his rating on the stock from a "buy" to a "strong buy", in expectation of exceptional short-term earnings growth.

Canada

TORONTO SHARE prices showed little movement in moderate trading. According to preliminary data, the composite index slipped 2.49 to 3,392.77 although advances led declines by 256 to 241. Volume rose to 21.1m shares from the previous 18.8m shares, and trading value was C$218m, up from C$210.1m the previous day.

Eight of the 14 sub-indices ended higher, with the gold group showing the only solid gain.

Focus National Mortgage said it will seek offers for all of its common shares, adding that it believes its shares are undervalued. The stock jumped C$½ to C$14½.

Lower interest rates help New Zealand to recover

But professional investors are divided over the quality of the market's rally, writes **Terry Hall**

SHARP FALLS in interest rates, following last week's surprise move by the Reserve Bank to ease monetary policy, have brought new life to the New Zealand stock market after two months of slow and steady decline.

While the NZSE-40 index declined 4.15 to 1,469.60 yesterday, this was attributed to profit-taking after five days of advances. The index is still 7 per cent higher than it was on September 24.

The move by Mr Don Brash, the Reserve Bank governor, came after growing evidence that the economy was under greater deflationary pressure than the bank had forecast in August; this followed a July budget which imposed severe cutbacks on social welfare and other state spending.

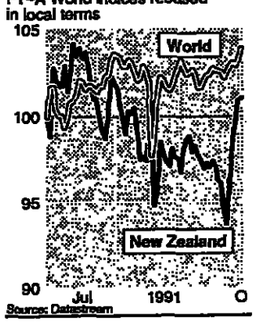
Mr Brash operates under an act of parliament which gives him freedom from political interference in setting monetary policy, with the single goal of achieving low inflation. Last week he announced technical changes which effectively meant that he was increasing the amount of money in circulation.

He said there was mounting evidence that domestic demand conditions were deteriorating faster than expected. This would permit interest rates to fall further and allow what he called a modest drop in exchange rates. The move sparked a flurry in fixed interest markets, with sizeable declines in short and medium-term interest rates to below 9 per cent, while home mortgages fell below 12 per cent, the lowest level for 15 years.

Share prices have responded more erratically. While the rise in the index since September 24 came in heavy trading, companies with substantial exposure to the domestic economy largely failed to respond, and some even lost ground. The economy remains in deep recession and is not expected to recover for some time.

The market leader, Fletcher Challenge, with its heavy involvement in international pulp and paper and the domestic economy, has firmed marginally, while Brierley Investments, which announced a 50 per cent cut in profits last week, has risen 5 cents to NZ$1.05 over the past six days, closing unchanged yesterday. Brierley has announced ambitious plans to improve its profitability and maintain a dividend, but investors are cautious about its exposure to the UK and New Zealand economies, in spite of a reduction in debt costs thanks to lower interest rates.

FT-A World indices rebased in local terms



Source: Datastream

Better performances among the market's larger stocks have come from Lion Nathan, the brewing and liquor group, and Fernz, the fertiliser company. These have a large exposure to Australia, whose economy is expected to recover more quickly than New Zealand's. Carter Holt Harvey, the local forestry giant, has also firmed, although it shed 3 cents yesterday to NZ$1.77. It is expected to benefit from rising forestry exports in the years ahead.

The biggest gains were recorded by a number of second line stocks which have low levels of debt, are engaged in manufacturing activities and are expected to benefit from the recent drop in the US dollar. Also strong were New Zealand Refining, the oil refinery concern, and Rank Group. Both companies have acquired former government assets which, analysts say, were sold too cheaply by the previous Labour government. Telecom shares, which were placed internationally at NZ$2 apiece in July, dipped 4 cents to NZ$2.63 yesterday but they were still strong on the week.

Gold shares have also fared well. New Zealand now has two world-class mines in full production. Martha Hill, formerly owned by the UK and for decades a world leader in ore production, has resumed production, using new open-cast technology. Macraes Mining, in Otago, is also setting production records. Both stocks offer good yields, improved by a fall in the currency.

Institutional managers and brokers are divided over the quality of the recent rally. Some expect gloom to return because of the poor state of the economy, minimal demand and record unemployment.

Others believe that the market will be supported by demand from overseas, helped by low inflation and confidence that the New Zealand economy is picking up thanks to tough government action.

EUROPE

Allianz and Linotype weigh on Frankfurt

NEWS from the corporate sector weighed on Europe's senior bourses yesterday, *writes Our Markets Staff.*

FRANKFURT reacted nervously to news of insurance losses at Allianz, and violently to Tuesday's briefing from Linotype, the typesetting and image-processing group.

Allianz fell DM22 to DM2,010 as it said that its insurance business would make a loss for the first time in its history, pushing the DAX index below 1,600 during the session. But the index recovered on strength in bonds, banks and utilities to close 2.30 lower at 1,607.32. The FAZ index dropped 2.87 to 661.91 at mid-session. Volume rose from DM3.1bn to DM3.7bn.

Linotype, according to Mr Hans-Peter Wodniok at James Capel in Frankfurt, again revised down what had already been relatively bearish prospects. This maintained a record of bad news from the company since its annual general meeting in 1990. Analysts said that 1992 earnings per share estimates would be cut sharply from previous estimates of DM30, and Linotype shares fell DM70.50, or nearly 14 per cent to DM444.50 after a low of DM433.

FT-SE Eurotrack 100 - Oct 2

Hourly changes

Open	11 am	Noon	1 pm	2 pm	3 pm	4 pm	Close
1103.34	1103.41	1103.84	1104.40	1104.38	1104.19	1104.39	1104.34

Day's High 1105.01 Day's Low 1102.76

Oct 1	Sep 30	Sep 27	Sep 26	Sep 25
1105.95	1100.47	1104.16	1103.42	1108.34

Base value 1000 (29/10/90).

PARIS came off the year's high as a placing, a rights issue and a merger affected individual shares. The CAC 40 index fell 9.12 to 1,878.25 in modest turnover of about FFr2bn, down from FFr3.2bn.

Générale des Eaux, the water utility, dropped to a day's low of FFr2,432, before closing FFr63 down at FFr2,439 in the most day's active volume of 166,880 shares. Yesterday Crédit Lyonnais placed more than 500,000 shares, or about 3 per cent of the company, with institutions at FFr2,425 a share, on behalf of Schlumberger of the US. Analysts expected the stock to recoup the loss fairly quickly.

Total, the oil group, shed FFr22 to FFr868. After the close, it said that it planned to issue 2.9m new shares in a long-awaited rights issue. Total also said that it would seek a listing in New York.

Agence Havas fell FFr5.50 to FFr490 after the suspension of Eurocom, its subsidiary. Eurocom announced plans to merge with RSCG, making it the sixth biggest advertising agency in the world.

Sefimeg, the property leasing company, gained FFr24 or 4.9 per cent to FFr510 in 212,335 shares, on talk that leading shareholders were tightening their control after the recent takeover speculation.

BNP certificates slipped 40 centimes to FFr316.10, after rising early on to FFr325 on pleasing first-half profits.

MILAN continued to firm in improved volume, which raised cautious hopes that investor sentiment was recovering after the recent trading scandal. The market was also comforted by neutral to positive interim results and signs of a turnround in the insurance industry, said Mr Francesco Ricciulli at Paribas.

The Comit index rose 4.68 to 548.33 in turnover estimated at more than L100bn, up from Tuesday's L96bn and nearly double the recent daily volumes.

The De Benedetti group continued to attract attention. Olivetti officially closed L90 higher at L3,150, while Cir added L70 to L2,430. Among the leaders, Fiat gained L110 to L5,370 while, in the telecommunications sector, Sip rose 3.2 per cent or L37 to L1,195 on foreign demand.

STOCKHOLM was dragged down by a rise in money market rates, after a warning from the central bank governor that interest rates must stay high. The Affärsvärlden General index fell 9.5 to 1,026.4 in turnover of SKr330m after SKr254m.

In the banking sector, Gota restricted A shares dipped SKr6 to SKr75 in the wake of its eight-month results, released late on Tuesday, which showed a fall in operating profits to SKr63m from SKr634m.

ZURICH ended firmer in moderate trading, the Crédit Suisse index rising 2.8 to 517.7. There were reports of a large domestic institutional buyer, focusing mainly on undervalued blue chips.

Banks and insurers led the market up, Winterthur certificates topping the actives list as they rose SFr17 to SFr684 and Union Bank bearers closing SFr70 higher at SFr3,440.

BRUSSELS was mixed as the the Bel-20 index fell just 0.53 to 1,089.31. The Luxembourg-based steelmaker, Arbed, recovered BFr260 or 6.1 per cent to BFr4,460 after announcing a smaller-than expected drop in first-half profits.

HELSINKI hit another 1991 low on uncertainty over pay talks, the Hex index falling 10.1 to 843.3. **MADRID** continued to weaken, with the general index falling 2.94 or 1.1 per cent to 269.02 in thin trading. **AMSTERDAM** had an uninspiring day. The CBS Tendency index closed at 90.2, up 0.2, in turnover of Fl 489.9m.

ASIA PACIFIC

Institutional buying keeps Nikkei steady

Tokyo

THE 225-share Nikkei average held on to Tuesday's 1.9 per cent gain as buying by institutional investors countered the inevitable profit-taking, *writes Emiko Terazono in Tokyo.*

The index lost just 1.90 to 24,375.11 after moving in a narrow trading range between a high of 24,476.56 and a low of 24,323.34. Volume decreased to 450m shares from 600m, with dealers and individuals leading the activity.

Gains led losses by 580 to 417, with 153 issues unchanged. The Topix index of all first section stocks rose 10.97 to 1,862.04, indicating firm sentiment, and in London trading the ISE/Nikkei 50 index gained 4.13 to 1,426.98.

While traders said that the Nikkei could remain at current levels in the near future, some institutional investors were indicating an interest in commiting funds to stocks. Mr Masami Okuma at UBS Phillips & Drew said: "Institutions will probably shift cash investments into the stock market due to the sharp fall in short-term interest rates."

Interest rate-sensitive large-capital issues, which advanced sharply on Tuesday on the easing in reserve requirements by the Bank of Japan, lost ground on profit-taking. Nippon Steel retreated Y12 to Y420 and Mitsubishi Heavy Industries receded Y8 to Y750.

Sumitomo Heavy Industries fell Y16 to Y766 on small-lot selling. The issue was popular recently, rising 12 per cent last week ahead of its incorporation as a component of the Nikkei index on October 1.

Sansui Electric, a subsidiary of Polly Peck International, dropped Y25 to Y434. The issue had previously risen on news that the parent company was selling 32 per cent of Sansui shares to an electrical concern based in Hong Kong, but investors were starting to take profits, discouraged by recent reports that the price of the transaction was a nominal Y50.

Canon strengthened Y60 to Y1,580 on the announcement that the company had developed a ferro-electric liquid crystal display, said to give higher resolution than other LCDs on the market. Buying spread to other precision equipment makers, with Nikon adding Y33 at Y1,020.

Nissan Chemical Industries, the most active issue of the day, jumped Y81 to a year's high of Y939 on demand from dealers and individuals. Investors bought the stock on the recent popularity of bio-technology and pharmaceutical-related issues.

In Osaka, the OSE average moved up 175.50 to 26,808.26 on volume of 36.9m shares. The index climbed for the sixth consecutive day on dealer and individual buying. Ono Pharmaceutical forged ahead by its daily limit of Y500 to Y5,250 on continued popularity due to the company's development of a diabetes drug.

Roundup

THE RALLY in Hong Kong continued yesterday, but Pacific Rim markets were mixed overall.

HONG KONG firmed again, mainly on local buying prompted by lower interest rates and rumours of buying from mainland China. Profit-taking, however, pulled share prices off their highs. The Hang Seng index ended 38.20 ahead at 4,062.07 in turnover of HK$1.67bn, up from HK$1.33bn.

Utilities were strong, with China Light up 40 cents at HK$20.60 and Hong Kong Telecom 15 cents higher at HK$7.55.

AUSTRALIA fell back after Tuesday's advance. The All Ordinaries index finished at 1,581.8, down 4.6, following turnover of A$243m, compared with Tuesday's A$292m.

The index for gold shares retreated 12.9 to 1,034.5 as the international bullion price steadied. Placer Pacific fell 6 cents to A$2.30 and Normandy Poseidon finished down 11 cents at A$1.08.

Woodside Petroleum rose 6 cents to A$3.96 on speculation that it might be close to signing more contracts to sell liquefied natural gas to Japan. The stock has climbed 36 cents over 10 days.

MANILA finished mixed in light trading. Buying focused on selected commercial and oil shares, helping to push the composite index 9.29 ahead to 950.40. Turnover came to 113m pesos, up from 94.4m.

TAIWAN was at first lifted, then dragged lower by banking shares. The weighted index rose to 4,903.66 before closing 28.31 off at 4,830.13 in turnover of T$15.5bn (T$13.72bn).

SEOUL edged lower on rumours of small business failures, and also profit-taking after the previous day's rise. The composite index slipped 1.45 to 705.18. Turnover fell to Won280bn from Won389bn. The market is shut today.

Some bank shares rose on hopes of rights offerings, following the government's sanctioning of rights issue proposals by Kwangju Bank.

SINGAPORE was mixed. The Straits Times Industrial index finished at 1,357.04, down 4.61, in turnover of S$99m, after S$68m. In **KUALA LUMPUR**, the composite index was little changed at 521.77, off 0.04, in volume of 13.2m shares, down from 14.7m.

BANGKOK ended lower as investors sold in the belief that prices would fall further. The index shed 11.24 to 654.69 on turnover of Bt2.53bn.

SOUTH AFRICA

JOHANNESBURG was buoyed up by modest gains in gold shares as bullion prices firmed to $356. The all-gold index closed 7 higher at 1,140 while the industrial index added 17 to 3,983. The overall share index ended at 3319, up 21.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	WEDNESDAY OCTOBER 2 1991								TUESDAY OCTOBER 1 1991					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1991 High	1991 Low	Year ago (approx)
Australia (69)	153.54	+0.0	129.93	128.65	132.71	127.63	−0.3	4.76	153.47	130.17	129.17	132.89	128.03	153.54	112.74	135.82
Austria (20)	183.19	−0.2	155.02	153.49	158.34	158.33	−0.3	1.79	183.49	155.63	154.44	158.89	158.86	222.37	154.82	192.11
Belgium (47)	128.73	+0.3	108.93	107.85	111.26	108.89	+0.0	5.44	128.37	108.88	108.04	111.16	108.90	151.20	118.04	132.95
Canada (114)	135.98	+0.0	115.07	113.93	117.52	111.36	+0.0	3.41	135.98	115.33	114.44	117.73	111 41	142.27	126 49	128.33
Denmark (37)	258.97	+0.5	219.14	216.98	223.83	225.86	+0.1	1.56	257.80	218.66	216.99	223.23	225 63	270.56	217.74	244.89
Finland (15)	86.64	+1.3	73.32	72.60	74.89	73.49	+0.8	3.31	85.52	72.54	71.99	74.06	72.92	125.15	84.92	104.53
France (109)	144.86	−0.2	122.42	121.20	125.02	128.61	−0.4	3.45	144.95	122.94	121.99	125.50	129.09	152.26	119.11	133.26
Germany (65)	110.12	−0.2	93.19	92.28	95.18	95.18	−0.4	2.36	110.38	93.62	92.91	95.57	95.57	125.35	94.15	111 64
Hong Kong (55)	168.13	+0.7	142.26	140.87	145.33	167.16	+0.8	4.27	166.92	141.57	140.49	144.54	165.86	169.98	119.62	117.03
Ireland (18)	160.21	−0.7	135.57	134.24	138.47	140.48	−1.0	3.56	161.36	136.86	135.81	139.72	141.84	182.46	132.88	148 34
Italy (77)	74.11	+1.1	62.71	62.09	64.05	68.88	+1.1	3.37	73.27	62.15	61.67	63.44	68.16	88.23	64 76	86.20
Japan (474)	138.66	+1.1	117.34	116.18	119.86	116.18	+0.6	0.73	137.14	116.32	115.43	118.77	115.43	146.97	118.23	118.24
Malaysia (68)	198.04	−0.1	167.59	165.93	171.17	208.72	−0.2	2.88	198.20	168.11	166.81	171.62	209.10	247.78	189.18	185.19
Mexico (16)	1182.72	+0.1	1000.85	990.97	1022.26	3855.68	+0.1	1.33	1181.57	1002.16	994.48	1023.11	3851.82	1226.36	534.45	490.88
Netherland (31)	140.77	+0.1	119.12	117.94	121.67	120.40	−0.1	4.48	140.68	119.32	118.41	121.82	120.55	145.73	125.70	133.01
New Zealand (14)	47.43	−0.2	40.14	39.74	41.00	44.15	−0.6	6.60	47.52	40.30	39.99	41.15	44 41	54.64	41.18	57 53
Norway (31)	200.02	−0.6	169.27	167.60	172.89	176.61	−0.9	1.59	201.28	170.72	169.42	174.29	178.27	223.24	178 58	244.50
Singapore (38)	190.12	+0.1	160.88	159.29	164.32	147.71	−0.1	2.41	190.01	161.16	159.92	164.52	147.80	208.26	151.63	150 96
South Africa (61)	246.75	+1.7	208.80	206.74	213.26	166.20	+0.6	3.28	242.55	205.72	204.14	210.02	165.15	258.85	173.00	163.84
Spain (53)	155.11	−0.8	131.26	129.97	134.07	123.62	−1.0	4.38	156.38	132.64	131.83	135.41	124.93	171.12	131.51	138.97
Sweden (25)	189.33	−0.2	160.21	158.63	163.54	169.78	−0.6	2.63	189.82	160.82	159.60	164.19	170.81	204.12	146.60	177.79
Switzerland (99)	96.05	+0.6	80.44	79.65	82.17	85.59	+0.9	2.26	94.27	79.96	79.35	81.64	84.86	100.67	82.17	90.60
United Kingdom (240)	185.89	+0.2	157.14	155.57	160.48	157.14	−0.1	4.72	185.37	157.22	156.00	160.50	157.22	187.44	156.27	157.75
USA (526)	157.68	−0.3	133.43	132.12	136.29	157.68	−0.3	3.10	158.12	134.11	133.09	136.92	158.12	161.02	125.95	125.56
Europe (827)	144.11	+0.1	121.95	120.75	124.56	123.87	−0.1	3.87	143.96	122.10	121.17	124.66	123.98	151.52	125.50	133.13
Nordic (108)	187.34	+0.1	158.53	156.96	161.92	159.29	−0.3	2.04	187.16	158.74	157.53	162.06	159.76	200.81	155.55	183.83
Pacific Basin (718)	139.31	+1.0	117.89	116.73	120.42	117.46	+0.6	1.07	137.90	116.96	116.07	119.41	116.76	145.92	117.86	118.69
Euro-Pacific (1545)	141.58	+0.8	119.79	118.60	122.35	120.82	+0.3	2.20	140.85	119.30	118.37	121.78	120.44	147.66	121 29	124.90
North America (840)	156.27	−0.3	132.24	130.94	135.09	154.53	−0.3	3.11	156.68	132.89	131.89	135.69	154.95	159.66	125.91	125.64
Europe Ex. UK (587)	119.66	+0.0	101.26	100.28	103.45	104.88	−0.1	3.21	119.61	101.45	100.69	103.59	105.01	129.80	103.58	117.61
Pacific Ex. Japan (244)	145.70	+0.2	123.30	122.10	125.95	127.93	+0.1	4.28	145.34	123.27	122.35	125.88	127.83	147.60	111.40	123.19
World Ex. US (1736)	143.10	+0.6	121.09	119.91	123.69	121.88	+0.3	2.26	142.18	120.59	119.68	123.12	121.50	148.16	122.32	125.60
World Ex. UK (2022)	143.26	+0.3	121.23	120.04	123.84	130.70	+0.1	2.30	142.80	121.12	120.20	123.66	130.55	145.77	120.06	121.36
World Ex. So. Af. (2201)	148.30	+0.3	123.80	122.59	126.48	132.91	+0.1	2.55	145.87	123.72	122.79	126.32	132.80	148.66	122.92	124.36
World Ex. Japan (1768)	152.74	−0.1	129.25	127.99	132.04	142.39	−0.2	3.44	152.85	129.64	128.66	132.37	142.63	152.85	126.69	129.13
The World Index (2262)	146.95	+0.3	124.35	123.13	127.02	133.19	+0.1	2.56	146.50	124.25	123.30	126.86	133.06	149.01	123.28	124 59

BUSINESS LAW

Code to silence banks' critics

By Derek Wheatley

THE NEW Code of Banking Practice, expected to be published shortly, has had a chequered history. It started badly. Published in draft only last December, it demanded, quite unreasonably, that comments should be made on its important provisions by March 1, and went on to recite a number of dubious banking practices as if hallowed by tradition and sanctioned by law. But it should end up well.

Although everyone with a bank account will be affected by the Code, very few ordinary customers had the time – or the knowledge – to make an informed comment. However, consumer bodies, the Bar Council, Law Society and the Office of Fair Trading were among those who did, and they raised several points of serious concern.

Comment in the press was almost universally unfavourable. In many cases criticisms were obviously well founded. Now, mercifully, the redraft published in July will satisfy most people. Probably no amount of redrafting would have satisfied everyone and yet left a code of conduct which was practical and acceptable to the banks and building societies which are to be subject to its terms.

The redrafted code is a happy example of the effect of public opinion expressed by the consumer bodies. Some serious objections on the legal side appeared in a memorandum of the joint Bar Council/Law Society sub-committee on banking law. These have now been fully taken into account in the redraft.

One of the chief complaints related to breaches of banking confidentiality. It was said that banks "tipped off" their insurance and other financial subsidiaries as to who their better "heeled" customers were so that they could be targetted for direct mail advertising.

The original draft code justified this by saying: "Banks may pass personal information about their customers to ... members of their group so that customers can be informed of services which may meet their needs". This has now become: "Banks will not ... [disclose] for marketing purposes details of customers' accounts or their names and addresses to any third parties including companies within the same group".

While this is a complete reversal of the previous position there is nothing to prevent a bank from communicating with its own customers and including what it likes in the post. It is the passing of information to others which is preventable and this disliked practice is now prohibited.

Customers who want advice that their bank's insurance or financial services subsidiary can give, may consent to their names being passed to them; or they may give instructions that this should not happen when opening an account.

All customers are to be reminded at every five years of their right to give instructions that they do not wish to receive marketing material. This should silence the complaints of those who receive unwanted "junk mail". Banks are leading the way and it is to be hoped that others will follow their example.

There has been a very real improvement in what the code has to say on the question of bank charges. Tariffs will be given to customers when accounts are opened, whenever requested, and before changes are made. They will be available in branches or, in the case of banks which have few branches, such as Girobank, at every office of the bank.

There has been a very real improvement in what the code has to say on the question of bank charges. Tariffs will be given to customers when accounts are opened, whenever requested, and before changes are made

The imposition of bank charges without notice has in the past caused accounts to become unexpectedly – and without authorisation – overdrawn for which customers then incur charges. The reason for this is legitimate but the customers' resentment is hardly surprising.

This criticism has been met by the following provision in the code: "Banks will disregard the charges to be applied to customers' accounts in any charging period if those charges are incurred solely as a result of the application of charges for the previous charging period."

Several commentators expressed doubt about a new concession made in the original draft code in relation to customers' liability for the misuse of their lost or stolen cash cards. Since these are "debit cards" rather than "credit cards" they are not covered by the Consumer Credit Act 1974, which provides that customers liability for the unauthorised use for their lost or stolen card is limited to £50.

But the concession was qualified: "Customers may be liable for all losses if they have acted fraudulently or negligently". No one could object to an exclusion in the case of fraud but did "negligence" mean only the carelessness which must usually attend any loss of a credit card; or did it mean something more, such as keeping the Pin number actually written on the card which was acknowledged to be such gross negligence as to saddle the customer with liability, both in the White Paper and the Jack Report?

This ambiguity has not been clarified. The amended code states: "Customers will be held liable for all losses if they have acted fraudulently. They may be held liable for all losses if they have acted with gross negligence." Few could now quarrel with these exceptions.

The Code of Banking Practice in its amended form is a great improvement on its earlier version. It could never have satisfied everyone. Banks do not have a universal popularity even at the best of times and these are not the best of times. There is a recession and human nature does not readily accept self-blame for its own improvidence or bad luck or whatever is the real cause of disaster at a time of high interest rates; and after such a long period of high interest rates, which are set by the government and, in effect, imposed, via the Bank of England, on banks, it is the banks themselves which become the ready whipping boys of disaster.

The original draft code was said to be inept in presentation and platitudinous in concept. It was certainly somewhat miserly in the concessions it made in favour of customers going beyond those already established by law and practice. There were those who said that the code made it appear that some rights long established by law were in fact new benefits. Paragraph 1 of the amended code still states: "Banks will not include any unfair or unreasonable terms and conditions in contract with customers."

But do we need a new code to say this when our banks have been telling us for as long as we can remember how fair and reasonable their terms were? Or for that matter "... in particular they will ensure that all their terms and conditions comply with the provisions of the Unfair Contract and Terms legislation". Which amounts to saying that banks will comply with the law like everyone else.

But so much for the past. Criticisms of a self-satisfied style must not detract from a customers' code when the need for one was perceived so widely.

Important changes have been made. Originally, the draft said: "The code is written as a guide to good banking practices and is not intended to have contractual effect."

Many must have wondered what the point was in having it at all if it was to have no legal effect. The statement was ingenuous, since banking law itself is only the custom and usage of banking approved by the courts from time to time when some point comes before them for consideration. Anything that had been stated to be good banking practice must surely attract legal consequences between customer and banker.

The statement that the code has no contractual effect does not appear in the amended draft. It is an important change and a timely recognition that what banks say they should do is likely to be held by the courts as to amount to the very least they must do.

The Bar Council and Law Society committee which criticised the draft code is satisfied with its amendedments but the consumer bodies have yet to declare their comments. The code was to have been published months ago and further changes of substance would be difficult in view of the many banks and building societies involved, which feel they have gone as far as they can already. It is to be hoped that debate is over so that the authority of the new code can commence.